Slide 1

Slide 2 Did you know 54% of people 'stretch the truth' about themselves when applying for a job?

On average it takes 25 working days to fill a vacant position. For companies with 5,000 or more staff, that's 58 days.

22% of new hires leave their jobs within 2 months of being appointed. 46% of new hires are let go within 18 months of being hired.

The costs of employee turnover range from 30% to 150% of the employee's salary.

Talent Management is critical to the success of our companies. Without great people working on our team we can't deliver the best service to our customers or our community. We won't outlast and outperform our competition. But recruitment and talent management are also really, really hard.

So it's no wonder that PwC's latest CEO survey shows three quarters of Australian CEOs rate "availability of key skills" as one of the top threats to the growth of their businesses.

But what if I told you that next time you hired someone, there was a way to make the process not just faster, but much more likely to succeed. An objective way to ensure your next hire is the best possible fit for your role – someone who is going to stay, do well, and take your company to new heights.

You'll find we're already heading down this path in talent management, thanks to what we call big. data.

Big data describes huge amounts of data, gathered from a wide variety of sources, which can be mined to create insights that will drive our businesses forward.

Slide 3 If you're wondering what puts the 'big' in big data, consider this: 90% of all of the data in the world was generated in the past two years. And that's set to double every two years.

Many businesses are already using big data in marketing and advertising. For example Netflix monitors which movies and TV shows we watch and uses this data to recommend what we might like to watch in the

future. Another example can be found in travel – every time we book a hotel on Expedia, Expedia remembers which hotels we choose. And then they make informed guesses as to our age, pay scale, whether we have kids... next time we visit Expedia, they tailor their offerings to us. This improves our buying experience and the chances that we'll keep using their service.

So big data isn't new … but another application for it has emerged and it's called People Analytics. People analytics is the analysis of big data for your talent management strategies.

Why would we use people analytics for talent management? Up until now a lot of the decisions made in recruitment and talent management have been based on prior experience and gut feel. Ultimately people analytics will help us make more informed, data-driven decisions.

The People Analytics approach involves using big data to objectively work out which factors lead to employee success and retention, and hiring people who fall within those parameters.

Slide 4 There's a great case study to be found in Xerox who employ 50,000 call centre workers across the US. Their 'old way' of recruitment involved looking at someone's resume and prioritising those with experience in a similar role. They'd then bring those people in for interview.

But Xerox had real problems when it came to retention of staff. So, in a bid to reduce turnover, Xerox examined a range of data including the data of staff who left within three months, and those who stayed and did well. They then developed a screening test at the application stage to predict whether someone was likely to be retained.

Some of the findings are quirky – for example candidates who use one or two social networks are likely to stay in the role longer than candidates who use three or more. Other findings are more fundamental – namely, it was discovered that having prior experience in a similar role had nothing to do with whether or not someone would stay.

What are the results? Xerox has reduced attrition by 20% since implementing this people analytics strategy. Hiring Managers are going as far as to say they don't want to interview people any more – they just want to use the data.

So the next question is the HOW? What are some of the practical applications of people analytics for talent management?

Slide 5 Let's look at the traditional recruitment workflow.

With all of this big data at our disposal, in the future at Stage 1 we might not use job boards. No more posting an ad on Seek and hoping the right person sees the ad and applies. Your business will have its own comprehensive talent pool database to tap into. Talent pooling isn't new, but improvements in technology are making it easier and faster to build high quality talent databases and keep the people in our databases engaged.

The talent pool of the future will allow you to proactively find people with the ideal skills, experience and temperament. It will also analyse the signals that someone might be open to considering a new role. Maybe they subscribe to a certain blog, or start looking at certain websites. You can approach them rather than waiting for them to come to you.

When it comes to the screening, in the future we'll say goodbye to the 2-page PDF resume. An online profile will automatically gather data from various sources to outline someone's skills, experience, work style and personality. Every deal within a company will be attributed to the right people, every promotion noted in real time. Perhaps someone's online profile will even score them based on how engaged or interested they are in your company brand.

To get a job in the future it won't be about perfecting your resume, but rather considering the footprint you leave in cyberspace.

At Stage 3 in the interview process, we'll be far more informed about a candidate prior to when they come in, so there will be no need for those somewhat-inane interview questions such as "What do you like to do in your spare time?". The time in an interview can be better spent to validate the data we've gathered.

Moving onto Stage 4 – we might see the end of phone-based reference checks. A candidate's track record with their previous employer will be available online. And I'll tell you a story about that in a moment.

So far I've focused on the recruitment side of talent management, but people analytics applies to retention and development. For example, we'll analyse why our top employees have quit in the past, and from there we'll improve what we offer our staff and our work environment to get the next hires to stay.

These are just a few of the ways in which people analytics will be used for talent management in the future. We might not quite be there yet but we're not far off.

Slide 6 A little while ago I needed to hire another person into my business – I was after a digital marketer. I was really excited at the thought of what a great digital marketer could do for my business, but gosh it was difficult. Recruitment is tough! I posted a job board ad and received about 50 applications. Great! But then I had to read through each application and try to figure out who was worth an interview. A lot of candidates looked great on paper but weren't right when I met them in person. One person did pretty well in the interview, but then I spent ages trying to get a hold of their references, only to eventually speak with a previous employer whose reference made me decide not to go forward.

And then a colleague suggested I try eLance. eLance is a hiring website that connects employers with freelancers in Australia and all around the world. I posted my job opportunity for a digital marketer and within seconds was presented with a range of people who matched up with the skills I was looking for. The thing that I really loved, though, was the data associated with each candidate. Namely I could see how previous employers had scored their work, and also exactly how much experience they had. Lou had a rating of 3.2 out of 5 – cross him off the list, move on. Jenny had a score of 4.8 out of 5 but had only done two other jobs on eLance. Has potential, but risky. Not enough data to validate the score. Pete! Pete had an

average rating of 4.7 and had dozens of freelance marketing projects under his belt to make up that score. I could see who had employed Pete in the past, what he'd done for them, and whether they were happy. This data allowed me to instantly assess who were the top candidates based on track record.

I hired Pete, by the way, and he's still with us today. He's fabulous.

One really interesting area that I don't have time to explore today is the fact that as much as we will use data to research and assess candidates – so too will the candidates on us. Big data means that prospective employees will research our businesses, research us personally as managers, and decide whether or not they want to work with us. Sites like Whirlpool and Glassdoor already exist to allow candidates to compare notes on different companies as employers, what they offer, what the interview process is like... The quality and quantity of this data will only improve into the future.

Slide 7 So – where to from here? Well first of all, this cartoon is a little tongue in cheek – I don't believe analytics will ever be a replacement for the human element in talent management – but big data will be invaluable to supporting us in our decisions.

In terms of jobs of the future, I think we can expect to see a rise in the role of the Talent Data Analyst who specialises in People Analytics. These specialists will be a huge asset to any companies.

Businesses like SCOUT are already working on technology that will bring all of this data to life and take this from the conceptual to an everyday reality.

Slide 8 Hopefully the work we're doing in this space will help improve some of the statistics I shared at the start.

If you'd like to learn more please get in contact with me – and thank you for your time today.