



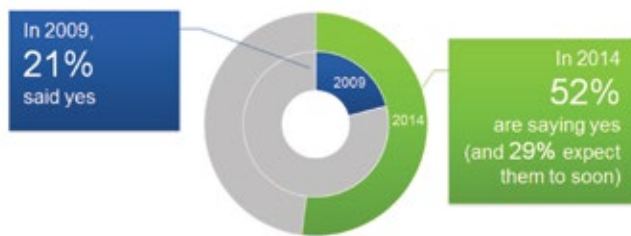
The Back Story

Conquering HR Analytics: Do You Need a Rocket Scientist or a Crystal Ball?

By Katherine Jones, Ph.D., Bersin by Deloitte, Deloitte Consulting LLP

It's hotter than hot! HR professionals are clamoring for “analytics” – the magic numbers that will help them combat attrition, hire the highest of high performers and predict the future success of the organization. We are seeing the surge of interest in analytics as one of the very top initiatives in HR today. Technology providers are embedding applications with functionality to move beyond reporting and actually providing the groundwork for data-driven decision-making.

Let's look at our brave new world of HR for a minute – what has changed? For one, the questions we are asked by our execs have multiplied (See Figure 1), and become more – well, “analytical.” (This translates as “tougher to answer.”) Human Resources has traditionally been metric-heavy – but lightweight on the analytic skills required to answer these tough questions.



Source: KnowledgeAdvisors, The Business Drivers of Talent Analytics, 2014

Figure 1. Are your business leaders asking for quantitative measures of HR/L&D?

The response to such queries has been varied: 19 percent of companies studied in the Bersin by Deloitte 2013 High-Impact Talent Analytics¹ research report purchased data analysts tools in the 12-month period leading up to the report, 31 percent invested in a data warehouse – and 31 percent hired new staff members for their measurement and analytics initiatives.

The need to hire new skillsets seemed obvious when we looked at the perception of analytics strength across the organization – solely 15 percent of participants deemed the HR function to have a forte for analytics (See Figure 2).

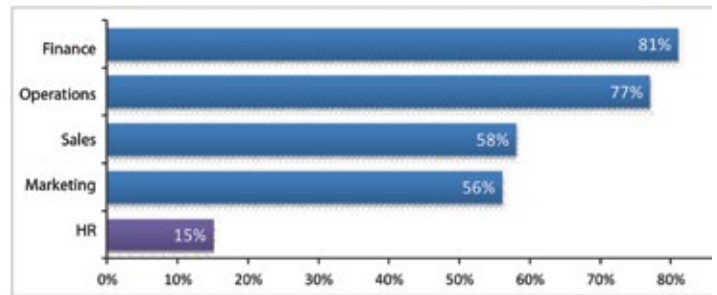


Figure 2. Which functions have strong analytics capabilities?

Corporate leaders, understandably, want sound information on which to base decisions. In response, software applications increasingly have the ability to spew out metrics, something HR has been requesting. But, with HR leaders, there is often more talk than action in getting to the hard stuff: advanced or predictive analytics. A recent Bersin by Deloitte study found that 86 percent of organizations are still focused primarily on reporting. Just 10 percent of organizations have taken the next step toward advanced analytics – helping business leaders solve their talent challenges through statistical analyses; and solely four percent are using predictive analytics to forecast future talent outcomes.

Corporate leaders, understandably, want sound information on which to base decisions.

Why We Care: The Need for Developing Analytic Skills

Herein lies the proverbial rub: Do today's organizations need to replace, retrain, or hire new skillsets? Do we need rocket scientists? Statisticians? Perhaps savvy spreadsheet users? Soothsayers and palm readers? And, where in the organization should these new people be placed? Should corporate metric analysis be housed in one site globally? What is HR's role in the growing analytics trend?

We care because it is people that make decisions. Will HR departments drown under the wealth of information now under their fingertips? What skills are needed in HR

today to ensure that the right decisions are made from all this new data provided? Do we need an infusion of statistical rocket scientists or should HR concentrate on up-skilling existing staff to create a strong talent analytics team?

The dilemma for HR is not collecting data – we know how to do that. Today’s talent management programs consistently are providing more and more data points for our use. Consolidating the data – is still not an issue. But here is the issue: Do we have the skills to make accurate business decisions based on the data we are now being inundated with?

Do we have the skills to make accurate business decisions based on the data we are now being inundated with?

Consider the following example:

You are looking at data from a manager who apparently hires top candidates, but after two or three years, his employees seem to leave that group, finding other positions in the organization. Does HR need to intervene to improve his management skills or employee relations acumen? Is he driving off people from his group that he should be retaining? The data points may suggest that is so.

But let’s look at what was actually happening in this case. This particular manager did indeed hire top talent; his goal was to bring in the best and brightest to the organization. But, then he did something a bit different. In their two years or so with him, he encouraged skill development and career exploration. While his employees were highly productive on his team, he looked for growth opportunities for his team members outside his own group, encouraging active investigation of other departments and divisions throughout the company. A problem manager? Not in this case.

The ability to analyze the data is indeed important, and it is fair to say all HR professionals today should be able to have command of the rudiments of data creation and use. Just moving from reporting to analytics would represent a big leap forward with respect to staffing and skillsets. And, consider data visualization. It is another requisite skill that enables HR members to analyze and communicate findings from complex data sets.

Let’s get colleges and universities to have some skin in this game as well – and make human capital data analysis a part of the overall HR curriculum.

Endnotes

1 “High-Impact Talent Analytics,” Karen O’Leonard, Bersin by Deloitte, 2013.

About the Author



Dr. Katherine Jones is a vice president, focusing on human capital management (HCM) technology research at Bersin by Deloitte, Deloitte Consulting LLP. She analyzes the underlying technologies and services that support the management of a global workforce, including HR, hiring and performance management and workforce planning. Jones is a veteran in enterprise workforce and talent management applications and a recognized expert in cloud computing. Prior to joining Bersin by Deloitte, she was a research director at the Aberdeen Group for eight years where she established Aberdeen’s Human Capital Management practice, focusing on research and consulting services in HR, talent acquisition, workforce management, ERP, and mid-market companies. Later, she was the director of marketing for NetSuite Inc., a cloud-based ERP company. She has written on many areas of talent management, technology and business practices, with over 300 works published to date. Prior to a high-technology career, Jones was a university dean, involved in academic administration, research and teaching. She is a frequent speaker and is widely published in the U.S. and abroad. She has a master’s and a doctorate degree from Cornell University. She can be reached at kathjones@deloitte.com.