



Big and Getting Bigger: Managing Data Growth in HR Today

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

Much of the talk about “Big Data” (with capital letters) isn’t really about the data that HR collects and analyzes; it is about the volumes of rapidly accumulating, structured and unstructured data – such as all the data that a cell phone company can amass about calling patterns, or that an online retailer can collect about millions of buyers and their habits. But, HR has a *lot* of data to manage, and luckily, the tools are improving to help intelligently sift through it to make sound business decisions.

So for right now, let’s consider it lower case “big data” – that data you can amass today about your employees, the sources you hire them from, their performance on the job, how their compensation and rewards relate to that performance and their retention – all the very important things that HR has to worry about. (We will leave their telephone and their buying habits to the capital B and capital D researchers). But does HR face data challenges? You betcha!

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Where Data Comes From

It used to be relatively simple. Your employee information came on forms, first on paper, then electronically. Candidates applied on paper or online, their onboarding forms were collected, their performance data stored, their

comp plans filed. We in HR always had long-time storage issues – all employee data must be retained for designated periods (sometimes forever), but that was just considered a cost of doing business (luckily, electronic storage replaced the rooms full of steel filing cabinets). But, were decisions made from all these data points? Rarely! It was just information, collected and stored, not analyzed for what it might reveal about the business or the employees themselves. Metrics resulted: counts of hire by source, counts of voluntary terminations by managers, but far too infrequently was the data truly *analyzed*.

All that has changed. Today’s applications for HR and talent management can give a wealth of information, revealed in colorful dashboards, rendering instantly synthesized datapoints about the business, the team, the employee, the sales and revenues impact, and the like. We still need help though: consider the variety of types of data you now need to synthesize, manage and store. Here is a little scenario to consider:

- You post an open position on a variety of social media outlets and your own career center.
- An applicant applies with his social profile, accompanying it with a video demonstrating his passion or qualifications for your position, as well as a standard résumé.
- To help applicants self-select, you have a simulation on your career center. The applicant selects an avatar and goes through a series of tasks that mirror activities on the job. He likes it – the candidate is still in the pool.
- You are interested; you arrange a pre-screening interview. The candidate responds with a mobile phone or video interview answering your prepared questions. If it is a technical position, he may have solved a coding puzzle you provided, demonstrating competence for the new position, and perhaps even an innovative, creative way of looking at the task assigned.
- Our candidate is still in the game. Now, you get members of the hiring team together for a live video interview, allowing each to ask the candidate questions and as a group, consider the responses. One hiring member cannot make the real-time interview; she will look at the interview at a later

date to add her input on the candidate.

- References are provided; online recordings are submitted by referents specific to the job at hand.
- The team likes the candidate; an offer is made – and our new hire immediately begins a virtual onboarding process, filling out requisite forms, and walking through corporate orientation and learning activities relevant to his first day of work.
- Your company surveys new hires on the hiring process; you want to evaluate the experience they had between initial interest and the first day of work – and you will continually survey on satisfaction and your measures of engagement several times in the first year on the job.

Even in this simple example, we have a plethora of data types from which to assess, manage, store and extract metrics. We will want to compare the sources with future performance, measure the ability of our prescreening and interview questions to predict success on the job, track the time taken and quality of the onboarding activities in terms of accelerating ramp-up time to productivity. We also want to assess the hiring manager’s internal team on their skill in asking good questions and see where coaching may be required.

Lots of data, lots of information (see Figure 1). Now we need to integrate data from different types of electronic sources, and manage and store it for future reference, if needed. We then want to be able to compare datapoints

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across candidates, across teams, across business units, and across geographies. The amount of data – just for that one new hire – keeps growing throughout his tenure in the organization: complex social charts may track the “go-to” capabilities of the individual, recognitions from customers and peers may accompany the coaching or performance reviews, further assessment data may indicate leadership qualities that should be developed – our data store is getting bigger and bigger. Now, we need to track some other areas: is this employee’s salary competitive with like positions in our locale? Is he high-potential but working with a manager with a reputation for poor support for her employees, hence at risk for attrition? Is remedial work in some job-related area needed to achieve the employee’s full potential in his position?

Human Resources’ data collection job is further complicated by the fact that different geographies require or ban the collection of different kinds of data. The ramifications of this is that analytics involving certain kinds of data sets will be country-specific; this is certainly not a bad thing, but it may add one more layer of complexity to

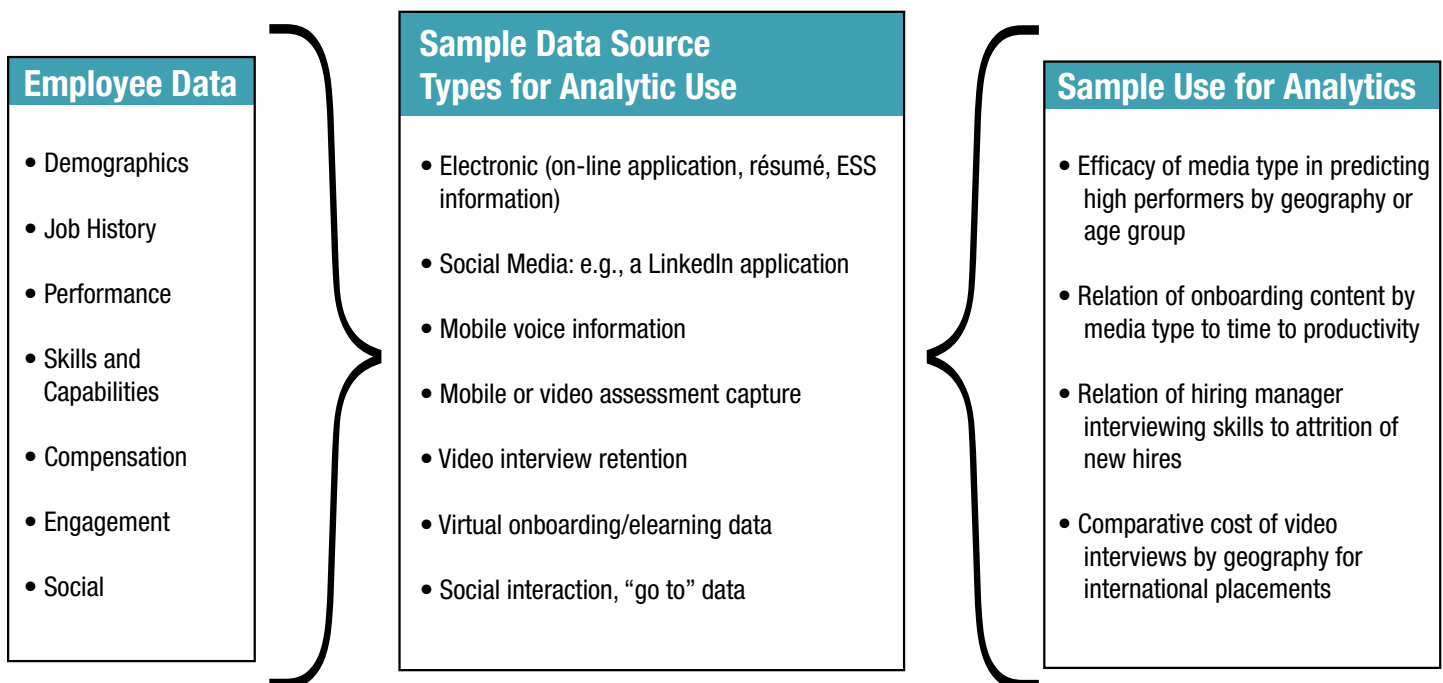


Figure 1. New Media Types that Require Systematic Data Extraction for Analytics. Source: Bersin by Deloitte. 2014.

analytics planning.

For HR, the hype around big data is actually a good thing. First, the increase in embedded analytics and improved reporting in talent management and HR products is a boon to users. My recent study showed that improved analytics capabilities are buying criteria for 70 percent of HRIS buyers and 67 percent of talent management solution buyers this year.¹ Second, there is a tremendous surge in skills, education, and tools to help HR teams rapidly evolve their talent analytics capabilities.

The Hard Part

The increase in data gathered and the new kinds of information sources from which data must be extracted are just part of the problem. In addition, the rising expectation from corporate leaders that HR can deliver meaningful decision data almost instantly is another challenge. But, there is more: analyzing data for those meaningful conclusions is not child's play. Skill is required to, for example, look at trend data, and determine accurately the cause or the effect of those trends over time. The amount of data that today's software may begin to deliver could prove overwhelming or difficult to interpret. And, all the datapoints in the world will be useless if one doesn't know what to do with them. But, don't despair. Next time, in this column we will look at the skills that HR departments may want to develop or hire for to ensure that they are on top of their game in human capital management analytics.

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Endnotes

- 1 Katherine Jones, "Investments in Human Capital Management Systems 2014: What Technology Users Have and What They Will Buy in the Year Ahead." Bersin by Deloitte, April 2014.

About the Author



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