

Is HR analytics the NEXT BIG THING?

By Joey Zeng Ying

In September 2014, Gartner released a survey, which identified analytics as one of the top 10 strategic technology trends for 2015. Big data and analytics are the buzzwords in many industries and many HR professionals are also beginning to understand the true value of analytics for their sector. HR analytics, talent analytics and workforce analytics – all these terms are used interchangeably and they all refer to the application of statistical techniques and combined use of qualitative and quantitative data for predictive insight and decision making to support the management of people in organisations. The ability of a company's HR team to leverage on analytics to bring out the best in its workforce and improve operational performance can help it gain a competitive advantage over others in any industry.

According to a study conducted by Deloitte in 2013, the HR function in 86% of the surveyed organisations focused primarily on operational reporting and only four percent were able to perform predictive analysis about their workforce. If your organisation has invested heavily in HR analytics and has been successful in producing predictive analysis about your workforce, congratulations, you are at the top of the game. However, expect more competition as companies are now beginning to jump on the bandwagon and will be investing in analytics in the next two years.

More efficient and accurate assessment of HR in the organisation

Analytics in HR enables better

assessment of the company's "HR health", such as employee satisfaction, by looking at data such as employee surveys, workforce data and even feedback gathered through employee engagement programmes. While a simple survey may seem to be an obvious solution, it only indicates the happiness index of the employees. Analytics however, takes HR professionals one step further as they can identify which is the specific group in a particular department or position that is unhappy or experiencing low employee satisfaction, and what are the root causes of it. Such insights can then lead HR into taking appropriate actions to tackle the problem. Analytics enables HR professionals to act more efficiently and accurately in addressing troubled spots or looming gaps that affect the "HR health" of the organisation.

Predictive Insights, quicker response

The use of analytics in HR delivers strategic insights that give decision-makers the information they need to carry out their actions. Imagine how powerful it would be to be able to predictively identify employees who might be leaving the company in the months to come and the likely reasons for their departure. This could potentially put HR one step ahead and allow for a faster and more informed engagement with these employees.

Challenges in implementing HR analytics

The implementation of HR analytics

is not without its challenges. There is presently a shortage of talent in this area to unlock the great potential of HR analytics because such skillsets have yet to be well developed. Additionally, to train a HR analytics specialist requires a great amount of time and resources. Currently, not many tertiary institutions offer multi-disciplinary training like the Singapore Management University does, so it will take time for a talent pool of specialists to grow. Another challenge is data inconsistency. MNCs may have fragmented databases that make it difficult to provide a good analysis of the firm. These two challenges can however, be solved over time.

The human mind is constantly changing and adapting to current circumstances. How can we ensure that analytics keeps up with this? Analytics may be able to identify the right talents to groom and give insights into what their appropriate career path could be. However, it should also take into account possible scenarios such as family or relationship issues. It would therefore be quite important that we create a more dynamic analytic infrastructure that looks into every aspect of talent. This will help us gain more well rounded insights.

Analytics opens up huge opportunities for the HR sector. I look forward to the time when I can join a HR team in this exciting and innovative period as we leverage on new technologies to overcome the challenges ahead.