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Analytics & Big Data: Is it too big for HR?



Analytics is the buzz word today. Every business function worth its salt is talking about using Big Data to strategize for its future. Can HR be far behind other functions? No.

Globally, 78 per cent companies (employing 1000 and above employees) rated HR analytics as urgent, but only 19 per cent companies felt they were equipped to handle this as compared to 81 per cent in finance, 78 per cent in operations and 58 per cent in marketing and sales (Deloitte, 2014).

Thus HR is still playing catching up in the Analytics arena, though the scope is huge.

In today's competitive environment, talent management is one of the major challenges for the organization. This includes the whole value chain from recruiting the right talent to nurturing and retaining it. HR needs to rely on Big Data and analytics to excel and not just survive as observed by Oracle in their 2013 report.

Majority of the companies are using various analytical tools to predict employee behaviour in order to design meaningful recruitment, training and compensations programs. With more and more data

becoming available and accessible due to technology, HR professionals are not far behind their counterparts to harness this data for the development of their Human Capital ie their employees.

But exactly what is HR-Analytics? As per a senior talent acquisition professional, it is not much about just numbers, but also logic and reasoning. It is different from Analysis, which is mostly number crunching. Analytics uses Analysis and builds on it to understand the 'why' behind the numbers. The data is plentiful, but the process of using the results for meaningful interpretation that leads to action is what makes analytics powerful.

Studies over the past decade have shown that a judicious use of Analytics in Human resources can help predict up to 80 per cent the employee turnover, can help in making recruitment decisions by predicting the probability of the potential candidate to remain with the organization for longer than a year. Most of the companies employing analytics in HR primarily use it for recruitment, compensation and Human resource planning.

Organizations like Dentsply India and Johnson Matthey are using HR Analytics to drive their organizations' HR strategy. Employees of these companies require specific domain knowledge, making talent management a very critical aspect. These organizations capture the employee data across all locations as well as utilize Gallup data and using Analytical tools they are able to design employee engagement programs based on the age, tenure and other demographics. This helps in making employee more committed to working with the company since the incentives can now be diverse and specific to what the employee requires based on his demographic profile.

But all this is done at a very micro level. The focus is still lacking at the strategic level. As per the KPMG report in 2012, most HR teams understand the potential value of HR analytics, but they offer only generic and basic operational and transactional measurements. These metrics are unable to provide predictive data or actual insights that could have a positive impact on the success of their organization (KPMG, 2012). This is because the people dealing with analytics in HR are not specialised and do not necessarily have the capabilities of understanding of the business process to maximise discovery of data and analysis results that are acceptable. The reason could be that HR is still seen as a back office function or a cost function. There are not adequate resources in form of skilled professionals available to use the complex analytical tools to unlock the power of analytics.



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