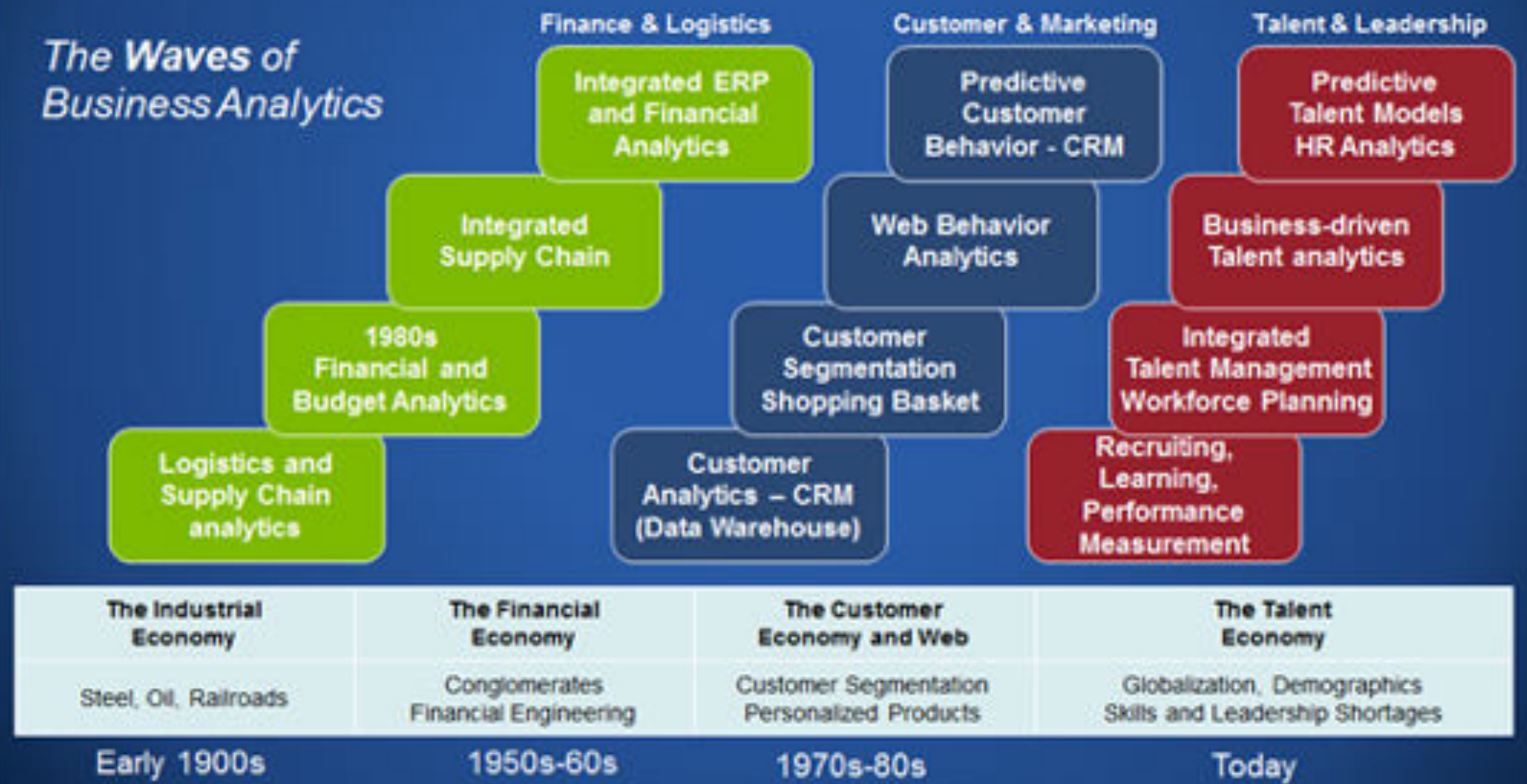


Big Data

Analytics is Definitely Coming to HR

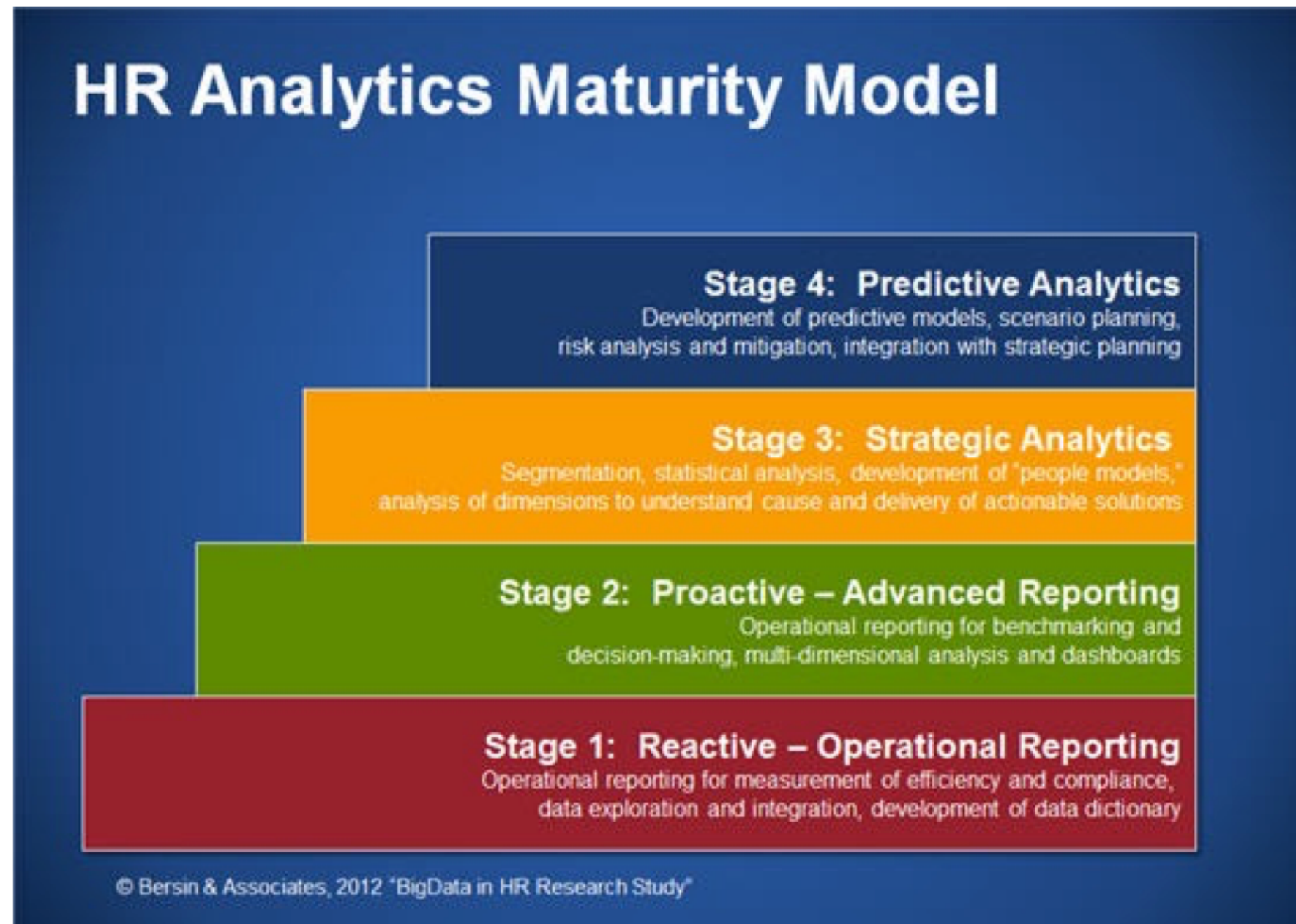
The Evolution of Business Analytics in other Functions

The Waves of Business Analytics



Big Data in the talent economy

There are 4 stages to HR Big Data



The problem is that HR is too often seen as being reactive, but how do we know this?

Big Data brings challenges

6% of HR departments believe they are "excellent" in analytics and more than 60% feel they are poor or behind.

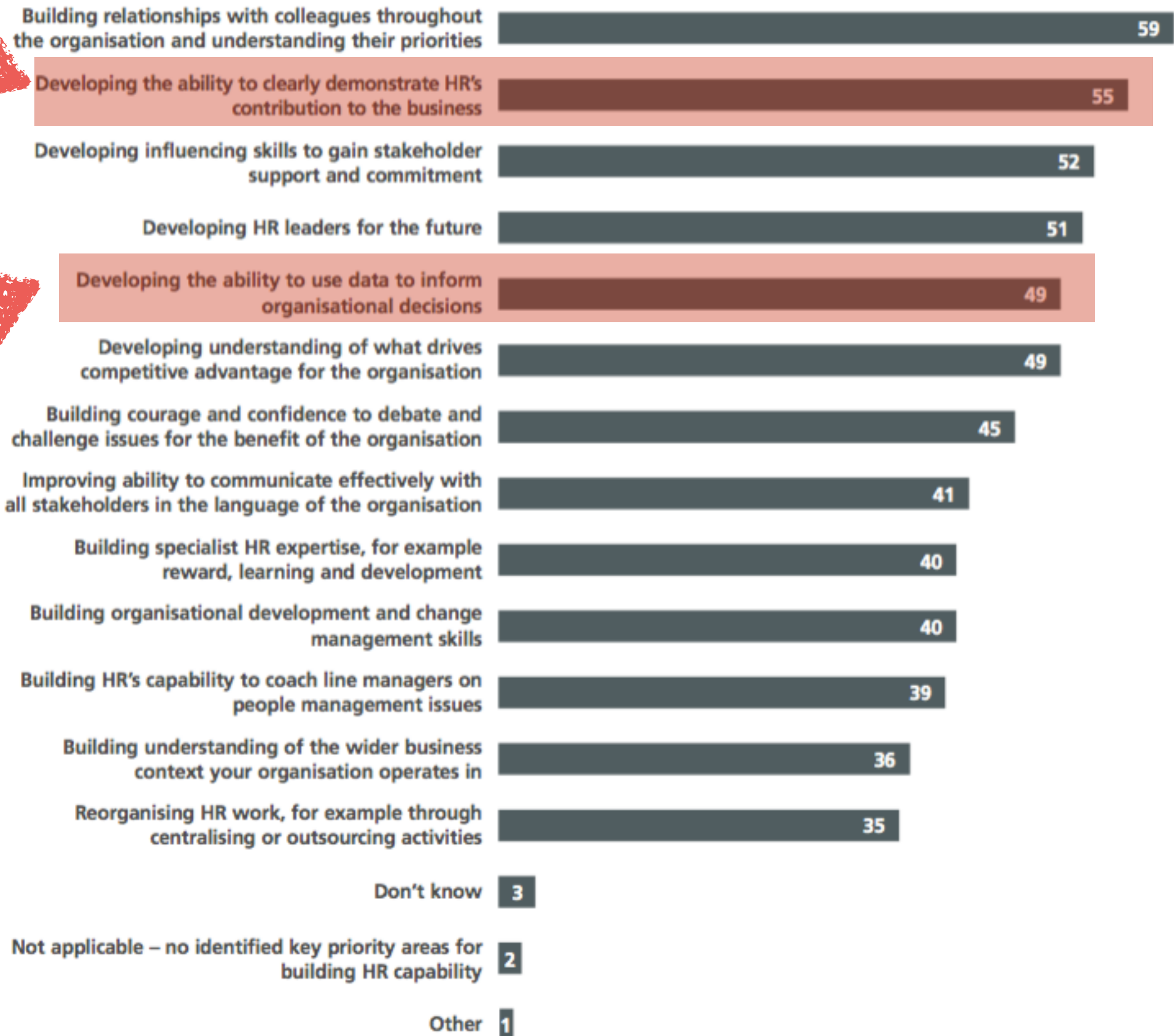
Big Data brings challenges

HR draws insight from data to stimulate change and improvement in the organisation (% agreeing)

63% HR Leaders

21% Business Leaders

Big Data brings challenges



Source: CIPD *HR Outlook*, autumn 2013: a variety of leader perspectives.

Big Data brings challenges

Peter Turner of Ricoh explains it as follows:

“The challenge for HR is that **analytical people don't live in HR**. HR people are better at managing ambiguity than analysis. The challenge is to bring in more business-like people who have that approach.”

Fall in love with the problem
NOT the solution

EMPATHIZE

start with the problem: What
big decisions would you like
to be able to make? What
problems would you like to
solve?

HR analytics starts with curiosity

Is curiosity the key?

Curiosity (Lowenstein, the psychology of curiosity):

1. Caused by gaps in knowledge that the individual is motivated to explore
2. The perceived ability of missing information to close the gap - gap needs to feel familiar and small enough to seem achievable (jumping a brook versus leaping the Grand Canyon)
 - i. Pose a question
 - ii. Exposed to a problem (a sequence of events with an anticipated but unknown resolution)
 - iii. Challenge the norm - a position is posed that violates the accepted outcome
 - iv. Social competition - the need to know what someone else knows
 - v. Feeling of familiarity - the challenge feels intimate/close to experience

curiosity is what will bring you great decisions and models. And data analysis is always iterative - one question leads to one answer, which in turn leads to the next question. If you don't have that never-ending curiosity to dive deeper and deeper, it doesn't matter how much math you know.

Big Data brings challenges

...don't let the tools drive your program. The hardest work and most valuable results come from people: the questions you ask, the people you hire, and the process you use.

Big Data & HR = Challenges



Silos

Skills &
Smarts

Suspicion &
Scepticism

...Yes, but what does this mean?

Big Data & HR = Challenges

Silos

The diagram illustrates the concept of 'Silos' in the context of Big Data and HR. A large green circle at the top is labeled 'Silos'. Below it, two dark grey trapezoidal shapes represent contributing factors. The left shape, labeled 'Structures', lists 'HR compartments', 'Business unit isolation', and 'Projects and programmes'. The right shape, labeled 'Systems', lists 'Incompatible technology', 'Permission problems', 'IT skills issues', and 'Legacy systems'.

Structures

- HR compartments
- Business unit isolation
- Projects and programmes

Systems

- Incompatible technology
- Permission problems
- IT skills issues
- Legacy systems

Silos are the structural and systems obstacles to timely and efficient access to data and the ability to use and share it.

This is caused by a combination of structural barriers within both HR and the business which impede the sharing of data. The system silos are those pertaining to infrastructure around data analysis with issues such as systems incompatibility, security and hosting concerns, and IT skills issues.

Big Data & HR = Challenges



**Skills &
Smarts**

This includes the essential capability to define, analyse and model people analytics essential to a data-driven approach. This involves deciding whether to make or buy capability, what kinds of capability are required and how it is developed.

Big Data & HR = Challenges

These are the cultural and professional obstacles to integrating and embedding an analytical approach within HR. This includes the biases and beliefs around intuition and expertise within HR, and feeling that data might reduce human beings to units of measurement. It's also bound up with the skills and capability issue.

Suspicion & Scepticism

Biases, beliefs, behaviours

- HR data has been backward-looking and insular.
- Many have preference for big picture and ambiguity over analysis.
- Conflicting demands and expectations of organisations.

Fears

- Data reduces and dehumanises people to units of analysis.
- Expectations treadmill.
- Dependency on external capability means HR could be left behind in the skills race.

Big Data & HR = Solutions

A large orange circle with the word 'Strategic' inside in a purple, monospace-style font.

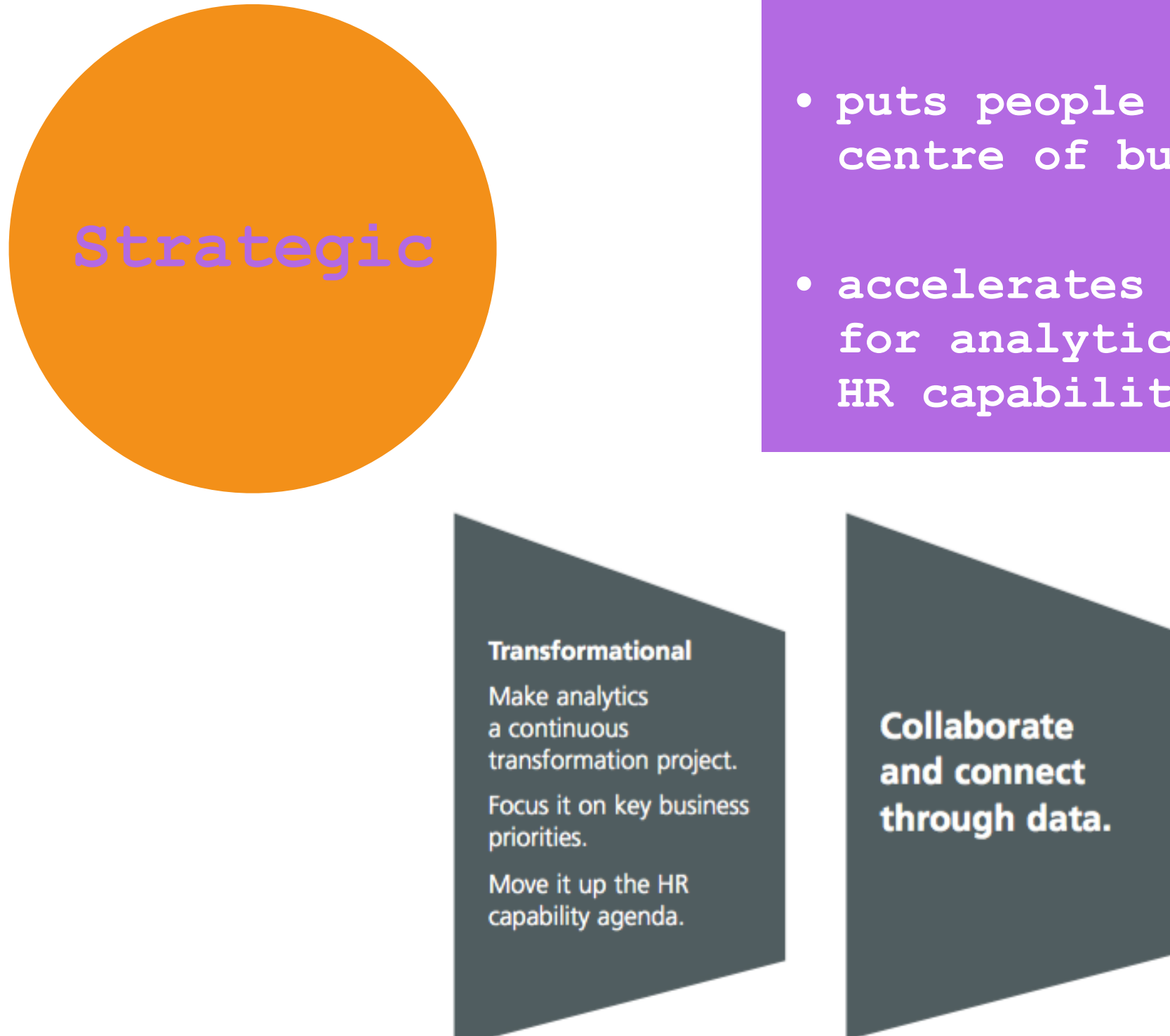
Strategic

A large purple circle with the word 'Tactical' inside in an orange, monospace-style font.

Tactical

...Yes, but what does this 'look' like?

Big Data & HR = Solutions



Strategic

- develops analytics as a continuous improvement strategy
- puts people analytics at the centre of business priorities
- accelerates the requirement for analytic bandwidth up the HR capability agenda.

Transformational

Make analytics a continuous transformation project.
Focus it on key business priorities.
Move it up the HR capability agenda.

**Collaborate
and connect
through data.**

Big Data & HR = Solutions

- Identify and promote the skills necessary as part of the overall HR talent and capability agenda.
- Source more key talent from subjects such as occupational psychology, economics and other social sciences to supplement the normal reliance on natural scientists and engineers.
- Develop aligned analysts who understand and connect with the people agenda and are capable of translating data into actionable insight.



Tactical

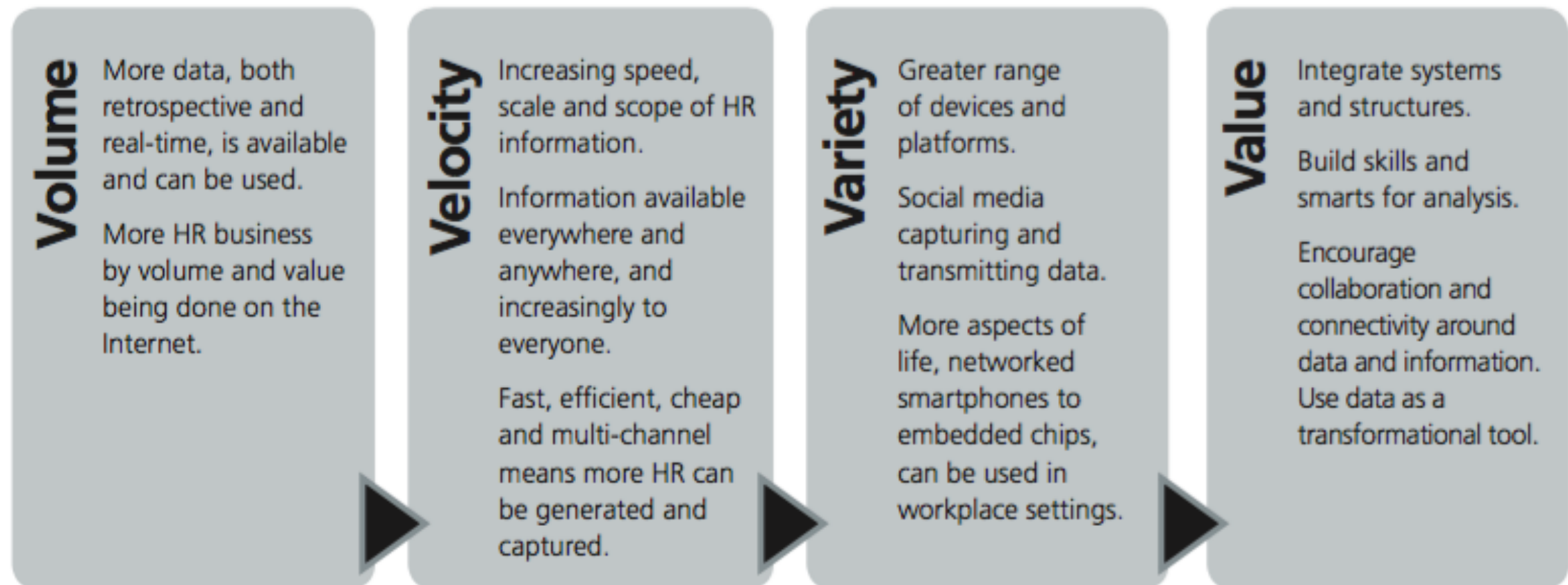
Tactical

Map and tap the skills necessary. Develop aligned analysts.

Attract more capability from HR/OD-cognate areas such as psychology, economics and anthropology.

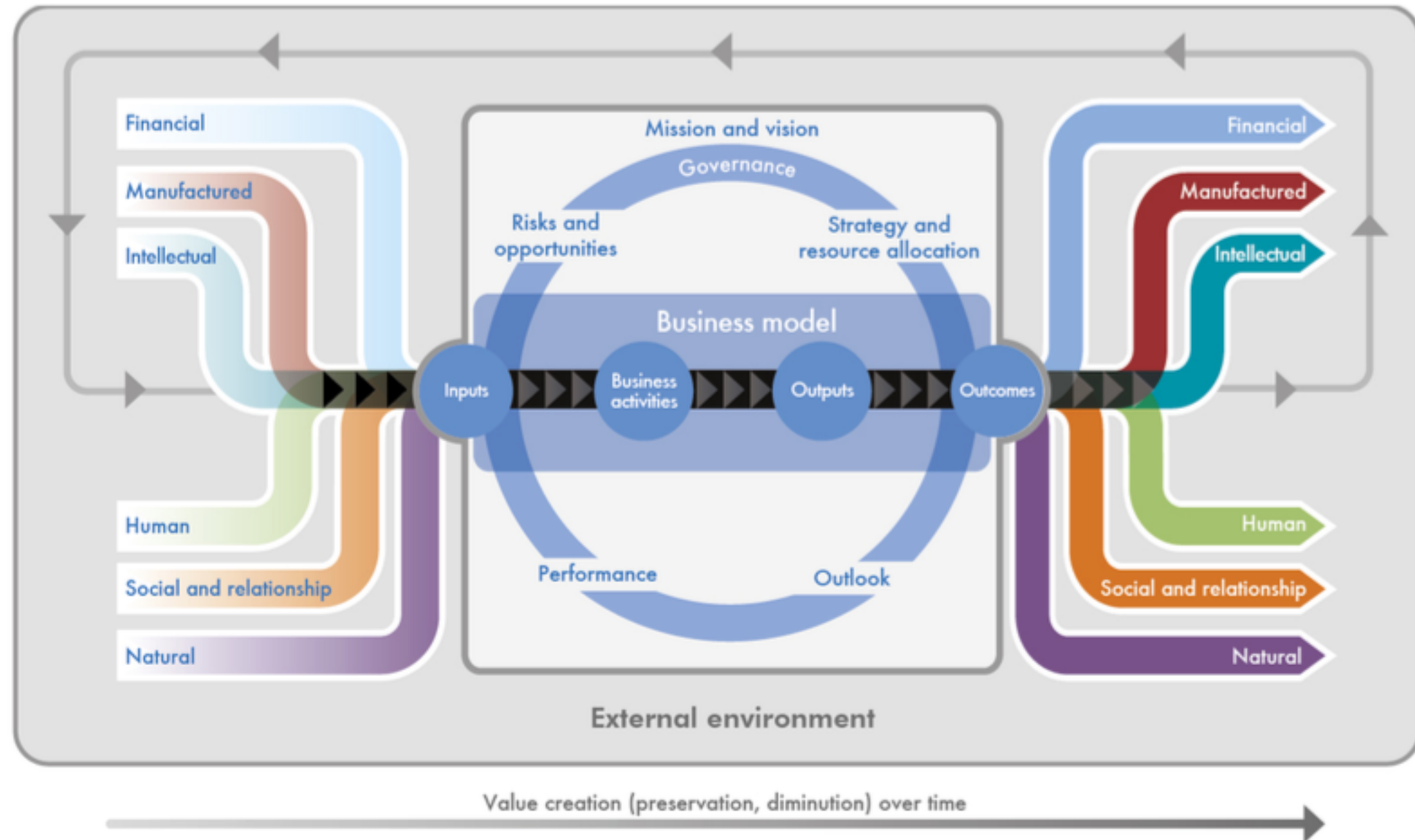
Make stories from the stats.

Big Data & HR = Solutions



It's all about creating value

Figure 2: The value creation process:



Big Data & HR = Challenges



The diagram consists of three overlapping circles arranged horizontally. The leftmost circle is light green and contains the text 'HUMAN Capital'. The middle circle is a medium green and contains the text 'Social Capital'. The rightmost circle is a dark green and contains the text 'Intellectual Capital'. The circles overlap in the center, creating a Venn diagram-like structure.

HUMAN
Capital

Social
Capital

Intellectual
Capital



HUMAN Capital

Human capital – People’s competencies, capabilities and experience, and their motivations to innovate, including their:

- alignment with and support for an organization’s governance framework, risk management approach, and ethical values
- ability to understand, develop and implement an organization’s strategy
- loyalties and motivations for improving processes, goods and services, including their ability to lead, manage and collaborate

Big Data & HR = Challenges

Social and relationship capital – The institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being. Social and relationship capital includes:

- o shared norms, and common values and behaviours
- o key stakeholder relationships, and the trust and willingness to engage that an organization has developed and strives to build and protect with external stakeholders
- o intangibles associated with the brand and reputation that an organization has developed



Big Data & HR = Challenges



HUMAN Capital

Human capital — **People's competencies, capabilities and experience, and their motivations to innovate**, including their:

- o alignment with and support for an organization's governance framework, risk management approach, and ethical values
- o ability to understand, develop and implement an organization's strategy
- o loyalties and motivations for improving processes, goods and services, including their ability to lead, manage and collaborate