High-Impact Talent Analytics: Building a World-Class HR Measurement and Analytics Function

MAKING THE LEAP TO DATA-DRIVEN DECISION-MAKING >> While analytics and Big Data have created quite a stir in the marketplace, the reality is that most HR organizations fall well short of mastering these capabilities. Only 15 percent of the organizations in our recent study believe that their HR teams have strong credibility in talent metrics and analytics today. Many of these organizations are looking for a roadmap to improve their capabilities. Our recent research involving 435 U.S. and Canadian companies lays out that roadmap.[1]

The Path to Mature and Powerful Talent Analytics

There are few easy shortcuts to building a successful analytics function. The groundwork required to understand the organization's data and systems, resolve data quality issues, and build credibility with stakeholders all take time. Then there are the issues of finding or developing the right skills sets, integrating data, and building effective tools for line managers. In total, the journey takes several years and our research shows that this is an area of continuing investment as the analytics market evolves.

Our research (available to Bersin by Deloitte WhatWorks® research members) does, however, indicate certain areas that can accelerate an organization's capabilities. HR leaders can use these findings to assess where they are today on the Bersin by Deloitte Talent Analytics Maturity Model continuum (see Figure 1) and examine the key levers for advancing their efforts.

Crossing the Chasm: A Market of Haves and Have-Nots

Our study found that a staggering 86 percent of the organizations we surveyed are focused primarily on reporting. Many of these organizations produce metrics for compliance

Figure 1: Bersin by Deloitte Talent Analytics Maturity Model

Level 4: Predictive Analytics — 4%
Development of Predictive Models, Scenario Planning, Risk Analysis and Mitigation, Integration with Strategic Planning

Level 3: Advanced Analytics — 10%
Statistical Modeling and Root-Cause Analysis to Solve Business Problems, Proactively Identify Issues and Recommend Actionable Solutions

Level 2: Advanced Reporting — 30%
Proactive, Operational Reporting for Benchmarking and Decision-Making, Multidimensional Analysis and Dashboards

Level 1: Operational Reporting — 56%
Reactive, Operational Reporting of Efficiency and Compliance Measures, Focus on Data Accuracy, Consistency, and Timeliness

Source: *Bersin by Deloitte, 2013.*

purposes and operate in a reactive mode, fielding ad-hoc requests for data. Others may take a proactive approach to reporting, using benchmarks and trends to highlight what is working (and what is not), but the focus is still on reports or dashboards.

Just 10 percent of organizations in our study have taken the next step toward advanced analytics—helping business leaders solve their talent challenges through statistical analyses. A mere 4 percent are using predictive analytics to forecast future talent outcomes.

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[1] For more information, *High-Impact Talent Analytics: Building a World-Class Measurement and Analytics Function*, Bersin by Deloitte/Josh Bersin, Karen O'Leonard and Wendy Wang-Audia, September 2013. Available to research members at www.bersin.com/library.

Bersin by Deloitte.

These findings demonstrate a large chasm between reporting and analytics. The field of talent analytics is still in its very early stages, with a small percentage of companies way ahead of the curve and the rest lagging behind them.

The Characteristics of Mature Analytics Teams

This research uncovered several factors associated with the maturity of an organization's analytics function. A short list of these factors includes:

Strong Technical Skills—Organizations at Levels 3 and 4 of our maturity model develop strong statistical and data skills. More than 70 percent of Level 4 organizations have staff personnel with expertise in statistics, database, and data visualization, and more than one-half have staff with IT backgrounds.

Beyond Number Crunching—Mature analytics functions have learned to solve business problems. One of the biggest gaps in the capabilities of many analytics teams is the ability to "tell the story" behind the data, so that business leaders can quickly grasp the implications. These teams need personnel with strong business, HR, and consulting skills.

Data Quality—Mature analytics teams have invested time in ensuring that their data is high quality and up to date. Accurate data is important to gaining credibility with stakeholders—if they find errors or do not believe the data, the analytics function will likely suffer a serious setback.

Effective Dashboards—Mature analytics teams have learned how to create self-service, customizable dashboards for business and HR leaders. These dashboards allow stakeholders to have quick access to the information they need, while the analytics staff spends more time providing insights and recommendations on business challenges.

Our research demonstrates that the journey to a mature analytics function may not be easy, but it does pay off in better talent outcomes and efficiency gains. (See Figure 2.) In financial terms, the stock prices of these organizations outpaced the S&P 500 by 30 percent, on average, over the last three years. Mature analytics organizations are making far better decisions about their people and they are learning faster every day.

Advancing Your Analytics Initiatives

This study is just one resource of many to help Bersin by Deloitte WhatWorks members to evaluate and improve their analytics capabilities.

Figure 2: Benefits of Mature Analytics Organizations

Mature analytics organizations are:
2x more likely to improve their recruiting efforts
2x more likely to improve their leadership pipelines
3x more likely to realize cost reductions/efficiency gains
2.5x more likely to improve talent mobility – moving the right people into the right jobs

Source: *Bersin by Deloitte, 2013.*

Other resources include our HR Measurement Framework, Talent Analytics Maturity Model, and our *High-Impact Talent Analytics* research and tools. These resources, coupled with Deloitte's talent analytics strategy services, are designed to help organizations to build a world-class analytics capability and create a culture of data-driven decision-making.

Our Research

WhatWorks members select from nearly 1,000 research-based resources, including 230 research bulletins on the latest trends, nearly 200 case studies, and 70 in-depth industry studies comparing solution providers and identifying leading practices in technology assessment, selection, and implementation.

We look forward to helping you to make sense of the dynamic and complex technology environment through our WhatWorks membership and system.

About Bersin by Deloitte

Bersin by Deloitte delivers research-based people strategies designed to help leaders and their organizations in their efforts to deliver exceptional business performance. Our WhatWorks® membership gives Fortune 1000 and Global 2000 HR professionals the information and tools they need to design and implement leading practice solutions, benchmark against others, develop their staff, and select and implement systems. A piece of Bersin by Deloitte research is downloaded on average approximately every minute during the business day. More than 5,000 organizations worldwide use our research and consulting to guide their HR, talent and learning strategies.