KEEP HR SIZZLING
FRESH INGREDIENTS FOR A NEW ECONOMY
‘Global’ HR Analytics
Making Grounded Talent Management Decisions for the Global Organization

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Professor of Management and Global HR
Willamette MBA
Master class

This master class reviews the contribution of HR analytics to global talent management and illustrates some applications that global HR practitioners can employ in various functional areas of HR to use data strategically for decision-making for the benefits the stakeholders in their global organization.
Global HR analytics—Making grounded talent management decisions for the global organization

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The answer is HR analytics

Do you know your employees as well as they are known as consumers!
Purpose of today’s session

• Dig deeper into what HR analytics is
• Review the contribution of HR analytics to global talent management
• Illustrate some applications that global HR practitioners can employ in various functional areas of HR
• Review the HR analytics skillset
Flow of my HR analytics presentation

What? Definition of HR analytics
- Grasp the meaning of data and HR analytics in (global) HR

Why? Uses and benefits
- Understand the uses and benefits of HR analytics

Where? HR applications
- Identify applications for HR analytics in a global organization

How? Process
- Know the process of using data for evidence-based decision-making

Challenges
- Identify HR challenges and leading practices

Who? HR role and Competencies
- Identify the competencies to successfully use HR analytics
Many related names!

(GLOBAL) HR ANALYTICS

- Talent analytics
- Human capital analytics
- Business analytics
- Big data analytics
- Meta data analytics
- Integrated analytics
- Process analytics
- Behavioral informatics
- Evidence-based HR
- Technology of human accomplishment
- Decoded companies
What is HR analytics?

Using a variety of HR and organizational data for the benefit of strategic decision-making by organizing, analyzing, interpreting and presenting that data in a meaningful way and giving it predictive and prescriptive power through the application of statistical tools and techniques.
HR analytics is more than…

- Related tools:
  - HR metrics
  - Benchmarking
  - Balanced score cards and strategy maps
  - TQM and six sigma
Why you should care about HR analytics

• Principal reason
  – HR analytics equates with strategy and adds value to the organization

• Other reasons
HR analytics integrates HR practice

Why?

Soft HR

Hard HR

Uses and benefits
Global trends in talent, workforce and HR management

1. Evolution of “work” and the “worker”

2. Engaging and integrating a global workforce

3. Use of talent analytics for competitive advantage

Source: Critical themes that will shape the future of HR management. Thought Leadership Retreat, San Diego, CA, September 29-30, 2013, SHRM Foundation and Economist Intelligence Unit.
SHRM HR competency model

1. **The ability to apply the principles and practices of HRM to contribute to the success of the business.**
2. **The ability to support and uphold the values of the organization while mitigating risk.**
3. **The ability to manage interactions to provide and support the organization.**
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10. **The ability to manage interactions to provide and support the organization.**

HR analytics contributors

• Technology and information systems
• Corporate databases
• Project and process management
• Outsourcing
• Cost of human capital
• Financial impact of HR decisions
• Evidenced-based management
It all starts with data!

**DATA**

Type and source of data:
- Type of data:
  - Meta data and not-so-big data
  - Structured and unstructured
  - Quantitative and qualitative data
  - Ambient and self-reported data
- Source of data:
  - Internal and external data
  - Public and non-public corporate data

**INFORMATION**

Data that is organized and segmented

Employee segments:
- Employee demographics and socio-graphics
- Performance
- Job group
- Job level
- Location
- Culture

**KNOWLEDGE**

Information that is analyzed

- Formulate questions linked to strategic objectives
- Set up appropriate research design to test hypotheses
- Apply statistical tools and techniques
- Interpret results

**DECISION-MAKING**

Evidence-based decisions create value

- Stakeholders
- Competitive position
- HR investments
- ROI and cost-benefit

**How? Process**

- Organize
- Analyze
- Interpret
- Decide
Maturity and levels of HR analytics

- Efficiency
- Effectiveness
- Impact

Descriptive analytics
Predictive
Prescriptive


HR analytics case studies

- Decision accuracy and # of interviewers
- Total rewards and retention at an accounting firm
- Morale of nurses at a hospital (Ebola)
- Talent acquisition at a hospital
- Predicting illness while on international assignment
- TO intentions of HiPots at an IT company
- Employee sentiment analysis at a bank
<table>
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<tr>
<th>Where?</th>
<th>Applications</th>
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<td>HR workforce Planning</td>
<td>Selection</td>
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<td>Succession planning</td>
<td>Compensation</td>
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<td>HR pol &amp; proc. effectiveness</td>
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<td>Organizational culture</td>
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<td>Talent analytics</td>
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<td>Applicant Tracking</td>
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**Department of Human Resources**

*Willamette University*

*The First University in the West*
Where is your organization on the HR analytics continuum?

- **Contributors:**
  - Sector or industry
  - Use of unstructured data
  - Size of company
  - Organizational structure
  - HR functional expertise
  - HR business orientation and leadership
# How to get started: HR analytics roadmap

<table>
<thead>
<tr>
<th>Scope the project</th>
<th>Assemble the team</th>
<th>Manage the data</th>
<th>Take strategic action</th>
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<tbody>
<tr>
<td>Identify a feasible HR analytics project</td>
<td>Identify the stakeholders and decision-makers</td>
<td>Acquire the data</td>
<td>Present and discuss evidence-based results to stakeholders</td>
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<td>Understand the capabilities of your organizational data</td>
<td>Identify the required competencies and build your team</td>
<td>Protect the data</td>
<td>Suggest management action</td>
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<td>Link the project to organizational objectives</td>
<td>Energize your followers</td>
<td>Analyze the data</td>
<td>Participate in decision-making</td>
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<td>Identify the research question and design</td>
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<td>Interpret the data</td>
<td>Evaluate HR and organizational impact</td>
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<tr>
<td>Identify the type and source of data required</td>
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<td>Present the results in an easy to understand manner</td>
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How? Process

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An easy way for you to start by answering simple questions…

1. What relationships will you investigate?
2. What specific type of employee data is needed?
3. Where does HR get that data?
4. Who owns the data & how does HR get access to the data?
5. What does your analysis require?
6. What will your sample dashboards look like?
7. What types of actions would you be able to take?
Challenges of HR analytics

1. Cost of HR data investment
2. Big brother perception
3. Dehumanization of HR
4. Global data integrity
5. Employee data protection
6. HR (numeracy) skills gap
7. Personal and cultural organizational change
The dark side of HR analytics

- Disparate impact
- HR confidentiality
- Employee privacy

HR analytics data governance
Leading practices in HR analytics

- Start small but impactful
- Acquire basic “numeracy” skill set based on your strengths
- Complement your team with complementary skills
- Explore “location” hypotheses for global impact
- Gain employee trust through data governance
- Balance HR instinct and emotions with evidence when making decisions—provided you know your employees as well as you think you do!
HR analytics competencies

- Dual skills requirements:
  - HR numeracy
  - Gamma person
- Coalition builder
- Implementer
- Change maker
Role of HR

- Create the numeracy culture in HR and throughout the organization
- Explore where HR can add the most value and make the greatest difference in terms of data
- Make decisions based on data (evidence) rather than perceptions
- Use data as benchmarking and predictive tools rather than simple metrics
- Know your employees as well as they are known as consumers
- Keep the ‘H’ in HR!
“The illiterate of the future will not be the person who cannot read. It will be the person who does not know how to learn.”

(Alvin Toffler, Future Shock, 1970)
Thank you and please stay in touch
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