



# Demystifying HCM talent analytics: Turning data into predictive team fit insight

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## How to make better business decisions about people to build a better business

HR is a people and partnership-based venture and information is its currency. To date, however, very little of that currency has been spent outside of HR. In the world of big data, HR has remained on the sidelines, keeping a low profile while other organizational entities, such as sales, marketing and finance, have boldly harnessed data for both short term analysis and a predictive view of the future.

Times are changing. Now HR has the opportunity to follow the same path, but with a broader benefit to the greater organization. With the rise of sophisticated next-generation talent management tools powered by the cloud, data can be translated into a real-time view of talent and performance across an enterprise, adding speed and accuracy to team building, employee career mapping, goal setting, and individual development.

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## Aligning people with strategy: It starts with an analytical approach

The concept of talent management has evolved from purely an HR function into a much broader concept. Organizations can now unlock the potential of their workforce at every step in the employee life cycle, from talent acquisition, to onboarding, to career growth management. New behavior assessment tools have also evolved, giving business leaders a direct line of sight into organizational, team, and individual employee goals, in order to align people with strategy.

Strategies, however, can't execute themselves. It takes employees who are engaged and embedded in an organization's mission and values to achieve expected business outcomes. By using an analytical approach to assess team fit and job match throughout each individual's employment life cycle, a business can build an agile workforce that is consistently capable of high-value execution.

However, the intentional application of talent to achieve business goals relies on the ability to cut through the complexity of analytics to focus on what really matters—people. The right technology can demystify the process by doing the work for you, crunching numbers behind the scenes to give you the talent analysis you need to make the correct people decisions at the right time—decisions that are based on knowledge and insight, not instinct or opinion.

## The right tools at the right time: Build a talent framework that drives results

The correct implementation of the right analytics tools at the right time can lead to greater engagement, better retention, and the assurance that a business has multiplied its chances of having high-potential resources matched to the right job today, as well as in the future.

For example, when coupled with skills assessments, the use of behavioral analysis tools at the talent acquisition stage can help an organization hire talent that fits both the requirements of the job and the culture. And, just as importantly, behavioral assessments and behavioral data can be used to evaluate individuals for roles and assignments on an existing team. In areas like sales, product development, programming, and marketing, team cohesiveness and effectiveness can be critical to success, because the performance of the group is more important than the attributes of any one individual.



The assessment of current employees is a necessary factor in team development, because shared values can support a team approach and their absence can undermine its mission and success.

Talent management tools can also be put to work on behalf of existing employees to map capabilities and key strengths, and identify areas of opportunities. This not only drives individual and team effectiveness, it also aids in collaboration and buy-in to organizational goals. The right HR software can make this data visible to the functional areas of a business by facilitating employee learning and growth development and assisting with identifying top performers. When talent management analytic tools are used to determine 'best team fit', managers throughout the organization can make more informed talent decisions and deploy talent when and where it is needed, quickly and efficiently.

The bottom line: The analysis of workforce data leads to the right predictive insight. And, it can help create an internal talent framework that can be layered over an organization's business strategy in order to achieve both short-term and long-term results. HR is sitting on a wealth of people-knowledge. It's time to share the wealth and put it to work for everyone.

## The rise of big data: The cloud-enabled race is on

The rise of big data is pressuring HR to keep up with the rest of the world. A 2014 survey showed that just 14% of HR departments are currently using data analytics. That compares to 77% of operations organizations, 58% of sales organizations, and 56% of marketing organizations.<sup>1</sup> The race is on for HR to catch up, fueled by a new generation of web-based technology tools.

### The benefit of using cloud-based talent analytics includes:

- Cloud-based tools are faster to implement and require fewer IT resources. And, multiple tools can be linked into one integrated system
- Cloud storage makes workforce intelligence available and accessible whenever and where ever it is needed
- A web-based system makes workforce management continuous—it doesn't have to be tied to a physical workstation or network

## HR has a story to tell: It's time to tell it

Big data, business intelligence tools, and new-generation technology have moved from heavily discussed trends to real solutions that help businesses translate huge amounts of data into actionable insight that can drive performance. And, while the benefit is obvious, HR departments and the organizations they support have been particularly slow to accept and implement these new tools and technologies. There are myriad reasons. Legacy systems can be a messy tangle of outdated technology with data fragmented and dispersed across an organization. And, this lack of technology, system integration, and enterprise-wide visibility may have tarnished HR's credibility enough to stymie or slow internal acceptance of a more data-driven approach.

In many instances, HR has been its own worst enemy because it has failed to understand the transformative power of deeper workforce analysis. In a 2013 survey, 77% of HR professionals said they were unable to determine how their workforce potential was affecting the bottom line. Less than half, 44%, said they used objective data regarding talent performance to guide business decisions.<sup>2</sup>

Despite this, it should be HR's responsibility to lead the charge. As Gary Hamel has said, "In most of the cases of strategic inertia I've come across, HR wasn't the primary culprit, but neither was it a powerful force for change."<sup>3</sup>

HR can become a powerful force for change by showcasing the impact valid talent data can have on people, operations, and on the bottom line. New talent management tools can help HR tell its story to the C-suite by providing a disciplined approach and methodology for connecting the dots between employee data and business results, to show what happens when people strategy meets business strategy.

## Transforming the workplace: Putting talent data to work to build a better workforce

The time is ripe for HR talent management professionals to demonstrate the added value they can bring to a business' financial health, through their direct contributions to growth, market share, and competitive vitality. While the executive suite must play a pivotal role in improving talent performance, HR leaders who have the data, insights, and technology at their fingerprints can be a catalyst for change by initiating an ongoing dialogue about strategic workforce investments and talent-building transformation programs.

In our technology-driven world, we sometimes forget that businesses are the collective expression of the individual efforts of employees and the managers who mentor them. Business owners have intuitively known that best-fit individuals and teams produce the most impactful results. With a new generation of tools, the ability to predict a match between an employee and his or her capacity to deliver against business strategies is no longer open to intuition—it's now validated through a framework of insightful data, leading to a new era of workforce intelligence and employee effectiveness.

Learn more about talent management analytics and cloud solutions



<sup>1</sup> Mark Feffer, "HR Moves toward Wider Use of Predictive Analytics," Society for Human Resource Management, October 6, 2014.

<sup>2</sup> Chris Nerney, "How HR analytics can transform the workplace," Citeworld, March 28, 2014.

<sup>3</sup> Gary Hamel, "Why your HR department needs a major reboot," Forbes, May 1, 2013.

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