

7 Critically Important HR Analytics Lessons from 2013

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In 2013 we have been rushing from HR Analytics project to project. Large organizations seem to have discovered HR Analytics. In recent months, we conducted a double digit number of HR analytics workshops, and requests for interviews and presentations continue to flood in. I can hardly believe it myself. Is HR waking up or is it systematically under greater pressure from the CEO who needs better intelligence – even from HR – to deal with rapidly increasing complexity? Is there perhaps an accelerated management need for gaining insights into the relationship between investment in human capital and its impact on the results? Hooray! Let that be the ideal environment for HR analytics. In between two airports and a few train connections, I've been reflecting on a few learnings from the past busy year. Here you go...

1. Data-informed is better than data-obsessed

Having lots of HR data is good. But there's a watch-out. Data should inform and guide our HR decisions. It shouldn't be our master, dictating our every move. The greatest asset of any organisation is the profound ability of the humans who are involved. When people are willing to be "informed" by data, they can create something special. When people are "obsessed" by data, they begin thinking like machines and making decisions that do not appeal to most organisations. Analytics is decision support. Humans take decisions!

2. There are only a few analytics that really matter

We get that question all the time: what analytics should we focus on? The problem is that this is different depending on what your company or organisation does and the stage of development it's in. Think: what is important to our organisation and what are we trying to achieve? Try to uncover the very few drivers that matter for your business. Otherwise, you'll be optimizing in vain.

3. Analytic outcomes don't tell you what to do

The challenge of HR analytics (as with any other analytics) is their inability to tell you what to do with the outcomes. It's just numbers. For every hour spent studying your data and predictions, spend 2 hours brainstorming to develop actionable recommendations. Otherwise, you won't move the needle at all.

4. Adding value to the business as HR professional is your number one analytics driver

Being able to add value with HR analytics is a mixture of deep business understanding, good analytical expertise, the quality of the data, the analysis and the recommendations from HR. Adding value with HR analytics isn't easy but it is always possible. But watch out! If you are using HR analytics for justification of the HR department, its budget or HR programs, analytics will never lead to the creation of a lasting value for your organization. And line managers will view your analytics with great suspicion – even when the quality of the analyses is good. HR analytics are for organizational optimization, not for HR validation!

5. Correlation is good, causality is better

Data shows us when things are correlated. When A goes up and to the right, so does B. These are good insights to accumulate. But there is something even more powerful – causation. A and B both happen in tandem, but does A cause B? Does B cause A? Does C cause both A and B? Correlation gives you insights. Causation gives you power. Power to add value.

6. It's the business, stupid

Want to be successful with HR analytics? Focus on the core processes in your business or organisation. Ask yourself what issues and problems the company is facing to achieve its goals. Or, what do your customers, guests or patients say you do well and what needs improvement? And never forget to ask yourself: what human capital behaviors & competencies drive business results? All other analytics: no focus!

7. Don't forget the context

If products are not selling, many HR pro's have the tendency to initiate an analytics project to look at salespeople's characteristics instead of analysing customer feedback. If turnover is high among young engineers, it could be much more appealing to analyze the personality, style, education, experience level or the performance evaluations of the engineers who leave the organization, rather than to analyze the lacking organisational support, poor on-boarding, weak job instructions or low leadership quality. The lesson: take a broader approach to conducting analysis by combining individual AND organisational data!

Interested in using predictive HR analytics as a key component in your HR strategy? We can provide you with more details. Contact us at info@inostix.com for more information. Or follow us on [Twitter](#) and/or [Facebook](#) for exciting international articles on HR analytics.

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