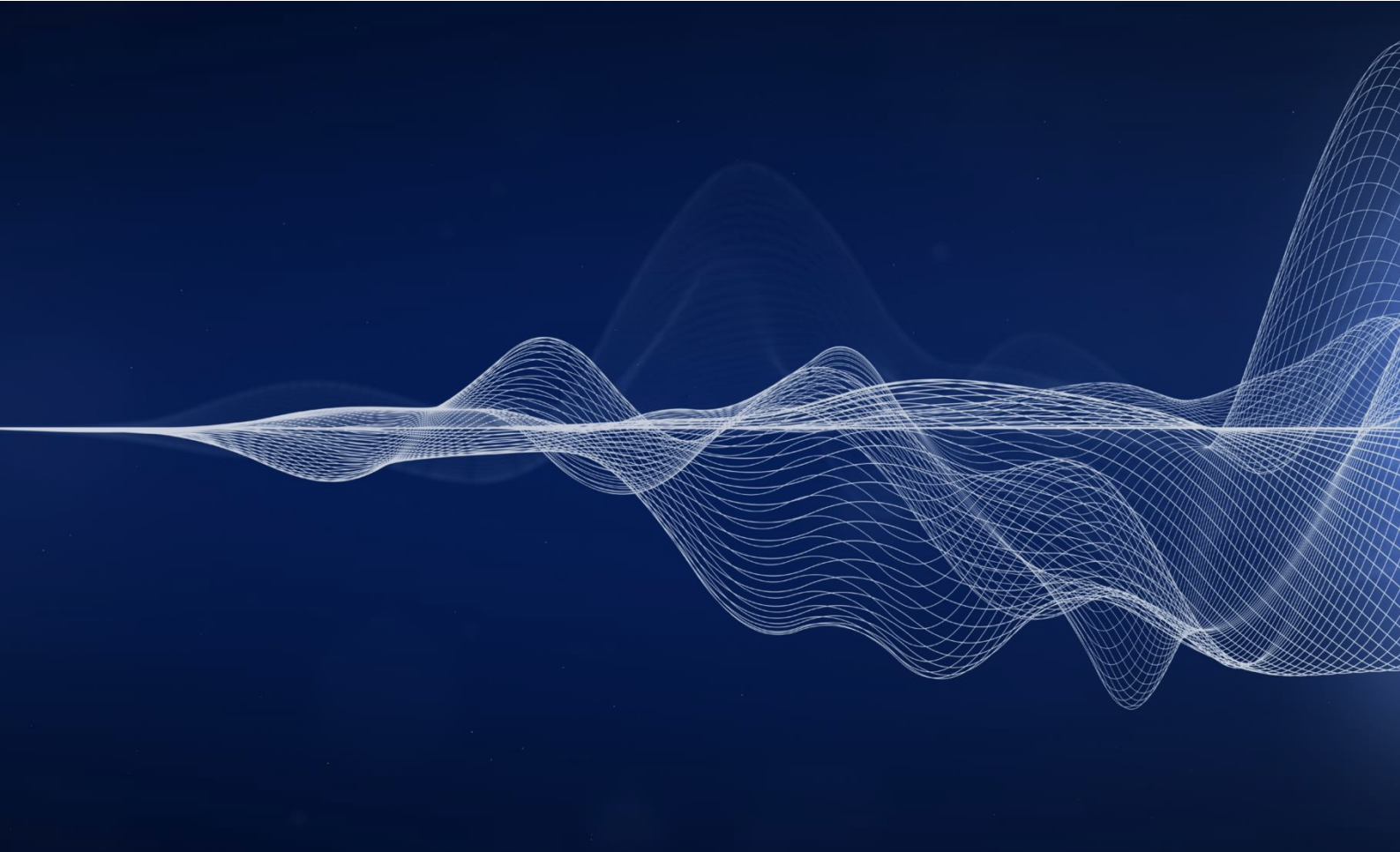


HR Analytics - Missing the Woods for the Trees

THOUGHT PAPER

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Over the last few years in our conversations with business and HR heads, the topic of HR Analytics has reared its head every time. HR heads believe that analytics is their card to the seat on the table as businesses today are more driven by it. On the other hand, business heads believe that while HR is throwing a lot of numbers, they are not as effective as they want them to be.

Available data suggests that despite people analytics becoming mainstream and ready investments by companies, [reports](#) state that very few companies are seeing meaningful business results from it. So, where is the shortfall? If we have talented people, required technology, and sufficient investments, what is preventing companies from realizing the returns from their investment in analytics?

The reasons as we see it are three-fold.

Issue 1 - Lack of Problem-Solving Skills

While HR teams are committed to using people data to make better decisions, most of the team members are not skilled to understand and solve a problem in a structured way. We can break down this problem in four:

- The urge to quickly respond with data analysis when posed with a question is the undoing. A lot of times we are unable to articulate the problem but articulate the symptoms. **Practitioners are not skilled to ask probing questions to help reflect and understand the underlying problem which needs to be addressed.** This clarity will not just help HR to come up with a focused solution but also help businesses understand what they are trying to solve for.
- Once one identifies the problem, the next step is to structure it – breaking it down into smaller pieces to come up with possible solutions. HR practitioners need to be trained in this art so that the solutions that they come up with are very targeted to the root cause. **It's too easy to get caught up in an ocean of data and lose both focus and impact.**
- **A benchmark mindset, with heavy reliance on efficiency-based performance outcomes, makes HR practitioners function like process-oriented generalists.** This results in missing the big picture and the benefits of people analytics as a result. We need to understand that there is a lot more to analytics than just the creating benchmarks and comparing against them.
- **An inability to factor in both individual and situational context while drawing inferences is a huge issue and a very easy mistake to make.**

For example, attributing higher sales volumes of older employees to age alone to conclude that providing training to younger employees is a waste of money, is an incomplete assessment of data. It could be that more training received by older workers is the cause for better performance and providing training to younger employees may improve engagement and performance.

Issue 2 - Missing the Human Factor in HR Analytics

While HR teams use numbers to identify patterns and trends most miss the stories hidden behind the data. This happens primarily because either the HR analytics teams operate as a separate function and has no connect with people on the ground or because HRBPs have failed to establish a personal link with the employees, oblivious to their stories (a fact exacerbated in virtual times).

A typical case in point is the application of intelligence tools to scan CVs in the recruitment process. It's undeniable that analytics tools can give huge insights into employee's performance and productivity, but it cannot explain the employment gap in a resume-running the risk of missing out on a high potential candidate. Or, missing the fact that low performance of an employee can be due to work from home related burnout or tending to sick family members (a common occurrence in these times).

HR folks can retain the humanity in this automated process by:

- Analyzing internal communication of employees with seniors and team members for a peak into their stories.
- Following social media for clues.
- Connecting one-on-one with employees on a regular basis.

Issue 3 - Inability to Tell the Story

Typically, **HR's attention is focused on using sophisticated tools and reaching accurate analysis with little thought spared to how that information is received and understood by decision-makers.** By communicating analysis in a way that engages (through stories, familiar examples, and analogies) can cause a pivot in demand, understanding, and use of analytics.

On its own, however, data can feel like a foreign language. It should be the primary job an HR practitioner to create context and tell the story that the numbers reflect. To add strategic value and establish credibility, HR analysts should embrace the art of storytelling, shaping workforce data into a well-crafted

narrative that includes all the key elements of any good story: a plot, setting, characters, and conclusion.

“The goal is to turn data into information, and information into insights” – Carly Fiorina

Parting Thoughts

Currently, workforce analysis largely consists of dumping data out of an HR system, onto a spreadsheet with a data visualization tool superimposed on it. But this is as safe and unimaginative as it can get. This is what got us invited to the party that is strategic partnership. In a world where data is plentiful, available, and open to sophisticated analyses, HR now needs to push the pedal with some bold moves and big shifts to influence business outcomes. **Like a good journalist, they must gather disconnected facts and consolidate them to deliver an insightful story.**

About the Author



Mainak brings over 24 years of experience spanning business and HR roles across geographies. This has given him a unique understanding of the link between HR and business strategy. He also holds a patent for HR capability development.

Mainak's experience includes human capital strategy, culture, talent development (performance, leadership development, career pathing, competency, learning, engagement, diversity) and talent acquisition (including on-boarding and background check). He has also implemented HRIS platform and HR metrics to improve performance.

Recently he has been helping start-ups set up efficient and effective HR teams and processes. In addition, Mainak is a recognized Executive Coach and Leadership Development expert.

Mainak's previous work experience includes stints/projects with Accenture (Consulting and HR), Hewitt Associates, AbsolutData, Heidrick & Struggles, Evalueserve, Sterlite Technologies and Upstox.

Mainak holds a MBA from the Indian Institute of Management, Calcutta, and is a certified executive coach.

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