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Potential of analytics not yet there

Analytics, the darling of our age, has the potential to be the driver of organizational effectiveness. I say "potential" because we are not there yet, and there are serious systemic barriers to overcome.

Michael Clark
Organizational Effectiveness

RBC's Robert Carlyle acknowledged as much during his informative presentation. There are very good reasons to begin the journey: In an information economy, human intellectual capital increasingly drives value in organizations. HR analytics has emerged at the right moment.

But if the big five haven't figured it out, the rest of us might want to wait until we overcome the systemic barriers to HR analytics and organizational effectiveness.

Change resistance

The heart of the matter is that HR processes and projections are based on best practices and rules of thumb. The profession has amassed a hard-earned level of expertise without analytics, and is invested in what it has achieved. But rules of thumb don't work everywhere and in a post-industrial, globalized world, sometimes they no longer work.

Analytics, the fodder for evidence-based decision-making, is challenging "best practices." Inevitably, there is push-back. As Carlyle said: "Opinion without evidence should not stand up over time." It's no wonder he repeatedly stressed that change management is vitally important to the analytics journey. He recommended deploying all the tricks familiar to HR: executive buy-in, early wins, education, infrastructure investment, breaking down silos and promoting a systems perspective. And, well, how often have your disruptive-technology change-management initiatives succeeded?

Management processes

Which brings us to the foundation of any successful change initiative: Clarity of accountability and authority, or what Carlyle referred to as management "processes" and "routines." Carlyle referred to success with HR analytics being connected to "improved decision-making." This is clarity around who is accountable for what, with what and who, in which circumstances, how often.

This will be the "heavy lifting" of HR analytics: Using role clarity to break down silos within HR and across functions to ensure data and people are connected. To ensure, at the least, data reporting standards (accuracy and consistency) are employed, that an enterprise-wide common language is used to describe the workforce, and data reporting "on an industrial scale" is the way we do business.

The right talent

Carlyle's most cogent insight was that data is not an insight: "It's just a fact." There is a misconception that data will tell you everything, whereas the gold in HR analytics is in the context of the data: Understanding HR and understanding the needs of the business, combined with insight.

Where is the talent to do all that? The role looks like an HR business partner with an executive MBA who has a deft hand at pattern recognition and challenging sacred cows.

As Carlyle said, "If you know someone who could fill the role, I'll hire them".

HR analytics, like all analytics, is the future. But the journey will be rocky until we overcome resistance, structurally embed the processes and build the talent.

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