

Human Capital Analytics

What is Human Capital Management?

Human Capital management is a distinctive competence with which firms recruit, develop, nurture and retain talent. It is a strategic priority for many firms because the quality of the people they employ is an important element of their distinctive market position – it is a component of the differentiation that supports premium pricing.

It can thus be a source of competitive advantage. This is an area in which sophisticated HR departments make a significant contribution.

Global firms have the particular advantage in that their global reach means that they can attract talent from a global talent pool. Yet to make the most of this advantage they must then effectively manage talent that is

distributed over dispersed global operations and multiple business units.

It is only possible to make human capital development a source of strategic advantage if Human Capital Management globally can be aligned with best practices.

How does Analytics Help?

Aligning global activities requires management to both set out the strategic imperatives with great clarity and to monitor performance against those objectives across a complex organisation. Analytics makes it possible to manage the inherent complexity by revealing issues and opportunities that might otherwise go undetected. Analytics makes it possible to monitor the impact of management initiatives. Analytics bring transparency showing clearly where performance is deviating from the expected standard and permitting issues to be traced to root causes. This permits the system to learn and to continually improve.

How to Proceed

Human Capital Analytics invariably requires relevant information to be collated from a variety of systems. This will include HR systems as well as transactional systems. Systems that record the performance of teams and business units will also be important for those individuals

with leadership roles. The probability is that there will be a considerable diversity in data sources across a complex organisation.

Nevertheless, the data required will need to be integrated and structured in a way that is suitable for the reporting and analytics that is required. One aim is to monitor the consistent performance of the talent management system. Another will be to gain a holistic view of the development path of key individuals.

The requirement invariably requires that personal and performance information on employees is brought together into a secure data warehouse. Careful design then provides the data structures required by human resource specialists at global, regional and local level to analyse performance data in their preferred analytics tools. Visual analytics tends to be the preferred medium for providing the perspective on the performance of the system and for identifying and highlighting outliers that need attention.

How Inflexion can help

Inflexion can help by understanding the aspirations of HR management, creating the visualisations and reports that enable the issues and opportunities to be identified and by assembling and integrating the data from a variety of local systems into a shared global model.