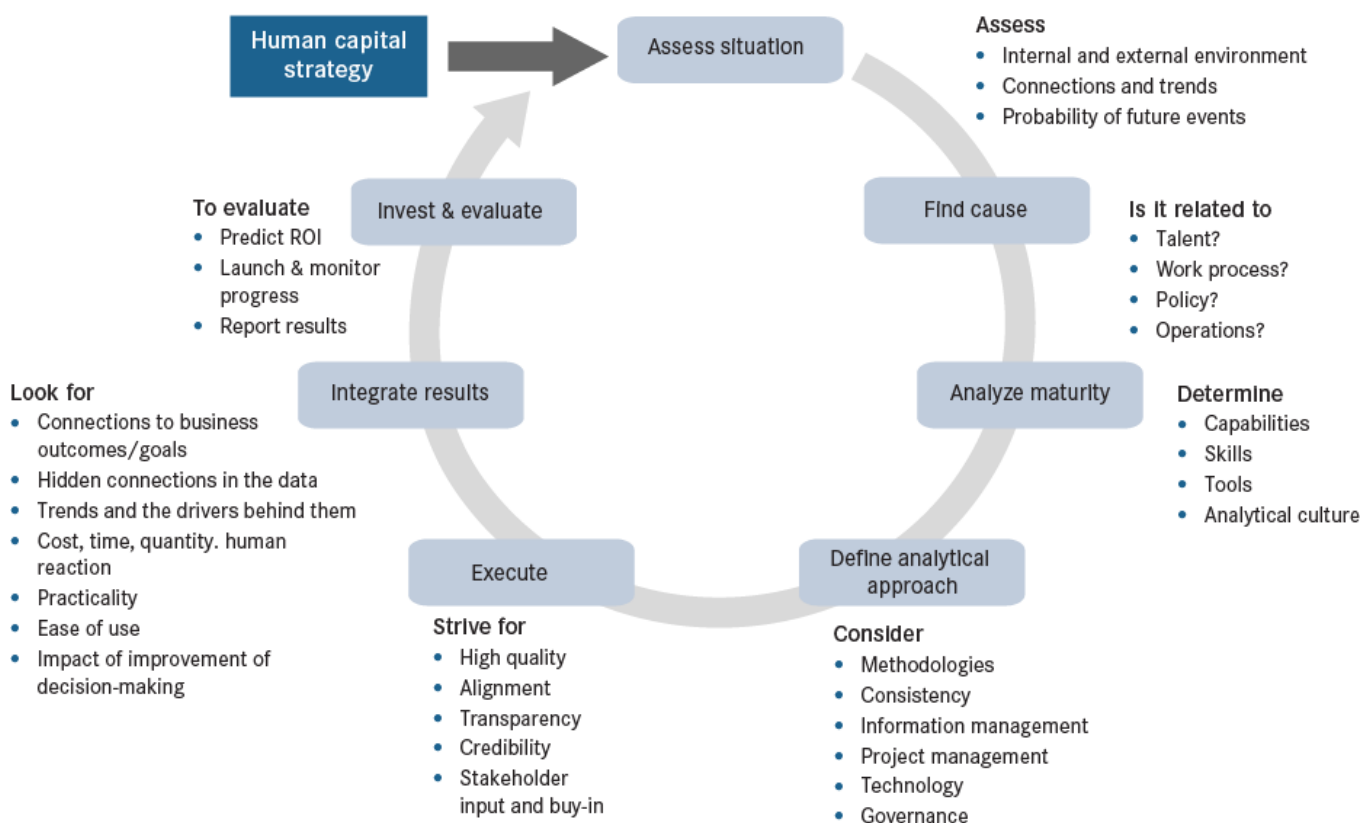


WAI INSIGHTS

Analytics Capability Is About Analyzing the Right Things, Not Just About Analyzing Things Right

In the past decade, advances in technology have enabled companies to amass large volumes of employee information. The rise of big data has also convinced human capital leaders that it is crucial to employ greater rigor in understanding the workforce. Organizations throughout the world have been building up their analytics capabilities. The Human Capital Analytics Eco system specifies a series of steps to guide organizations that want to build a successful and sustainable human capital analytics practice.

The Human Capital Analytics Eco System.



Source: Jac Fitz-enz., Patti Phillips, and Rebecca Ray, Human Capital Analytics: A Primer, The Conference Board, 2012.

The Workforce Analytics Institute™

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Analytics capability is about analyzing the right things, not just analyzing things right. In other words, business questions should always be a part of the process to ensure relevant issues are investigated. Before implementing analytics, organizations should always ask “what is the problem we are trying to solve?” and then use the data in a highly strategic manner to derive insights and make better business decisions.

The Human Capital Analytics Eco system provides a series of steps and offers key elements for consideration:

- **Assess the situation** Flesh out the organization’s key business strategies, initiatives, and priorities. E.g. recognizing that the organization’s key strategy is to hire and retain the best talent.
- **Find the cause** Focus on identifying and evaluating the nature of the problem that needs to be addressed with analytics. E.g. identifying that the lack of competitive pay is causing a high attrition rate.
- **Analyze maturity** Use the human capital analytics maturity model to benchmark the organization’s analytics progression. E.g. recognizing that the organization only has the capabilities to undertake descriptive analytics.
- **Define the analytical approach** Outline a detailed plan for the analytics process. E.g. putting in place procedures for survey design, data collection, and data analyses.
- **Execute** Assemble a dedicated team to implement the analytical approach. E.g. reassigning duties to ensure that there is sufficient bandwidth to implement the analytics process.
- **Integrate the results** Integrate the findings from human capital analytics in an impactful way. E.g. aligning the analytics findings with business outcomes and organizational goals.
- **Invest and evaluate** Evaluate and document the analytics process. E.g. calculate the ROI of performing the analysis, as illustrated here:

$$ROI = \frac{\text{Total benefits} - \text{Program costs}}{\text{Program costs}}$$

Source: Patti Phillips, Show Me the Money: Moving from Impact to ROI, Berrett-Koehler (2007)

By guiding organizations to measure what matters most to them and then using the data in highly impactful ways, the Human Capital Analytics Eco system assists organizations in developing the talent and the tools to progressively advance their analytics capability, while navigating a highly competitive organizational landscape.

WAI Insights is a regular newsletter that highlights high-impact research nuggets to help organizations be cognizant about data to drive fact-based business decision-making.

For more information, refer to our research sources:

[Workforce Analytics: The View from Asia](#)

[Big Data Doesn’t Mean Big Brother \(Implications for Asia\)](#)

[How Do I Get Started in Workforce Analytics](#)

[Human Capital Analytics: A Primer](#)