

# Talent Analytics

The Advantage of Knowing



**TALENT**  
INSTITUTE

# The Need for Predictive Intelligence

As the business world is transformed by the sheer volume, speed and availability of data, and as the search for comparative advantage intensifies, there is a growing demand for data about people, their performance and the effectiveness of talent management systems and processes.

In particular, leaders require information about the performance of current talent investments as they relate to business objectives. Without intelligence about the performance and capability of people, leaders are blind to future decisions.

Specifically, executives need data to drive decisions, better inform strategy, uncover incremental revenue, enhance customer retention and improve efficiency – more than ever before. And no source of data is more critical than talent intelligence.

## What Is Talent Analytics?

Talent analytics involves the systematic discovery of meaningful patterns in data about people, and the turning of such data into *actionable insight* to support better decision-making.

It focuses on measuring talent with the intent of *describing, explaining, predicting and optimising employee performance*. If employee performance can be predicted and optimised, so can organisational performance.

Simply put, talent analytics provides intelligence that supports data-driven decisions related to strategy and risk. It functions as a GPS for leaders, directing them to the *right questions*.

It tells you where to invest to improve the effectiveness of those processes in delivering and developing the right people to drive organisational outcomes.



# The Mismatch between Today's Challenges and Yesterday's Metrics

Traditional HR-metrics focus on measures such as:



There is little, if any, match between these HR-metrics and the critical talent management challenges facing business executives today. Getting beyond traditional metrics requires a holistic shift in approach.

## From Efficiency to Effectiveness

HR-leaders should stop thinking about analytics in terms of monitoring compliance, and measuring HR-operational efficiencies. Instead, a sharp and disciplined focus on *decision-support* is absolutely necessary.

*The key question is: What information is needed to enable better decision-making that will drive organisational performance?*

**The debate is now about *effectiveness*.**

# Developing Insight – Questions Executives Should Be Asking

Talent management is essentially about making informed choices as to where to invest time, effort and money in driving organisational outcomes.

It is also about having the right people intelligence about how the organisation is performing in relation to the various talent and risk management processes. The departure point is a series of questions related to key talent management themes.

## Talent Attraction

Do we have a compelling *talent value proposition*? Or are we struggling to attract top talent?

## Selection

Do we appoint, or promote the best possible candidates into vacant roles? Or do we compromise on quality, tolerate mediocrity, condone nepotism and exercise poor judgement? On average: What is the *speed to performance*?

## Development

Are we investing in the 'right' people (our A-and B-players)? Or, do we have an egalitarian approach? How does our investment affect workforce performance? Do we measure the return on our talent investment?

## Retention

Do we have insight into who our high-potential employees (HiPOs) and key talents are, their aspirations and possible flight risk? How would their exit impact the business? How well are we retaining top talent? Why is turnover high in some areas? Where is the hidden talent?

## Engagement

Do we have an understanding of levels of engagement across all segments, and how it impacts the performance of the business? What keeps employees engaged and productive? Which managerial behaviours significantly drive engagement and performance? In which areas are we particularly vulnerable?

## Developing Insight – Questions Executives Should Be Asking (continued...)

### **Knowledge Management**

Are we at risk of losing key expertise? Do we have a knowledge management strategy? Is it working? How do we know?

### **Succession Planning**

What does our leader pipeline look like? How strong is our leadership bench? Do we have a pool of future leaders for key roles? How ready are our next-generation leaders to transition into higher-level, more complex roles?

### **Leader Effectiveness**

What does our current leader profile look like? Is current leader capability aligned to our growth strategy? Do we have the best leaders in areas of highest return for the business? Do we have 'blockers', or C-players in key roles?

### **Workforce Capability**

Given our strategic path, do we have the capabilities now that will be required to do business tomorrow? Where are the talent gaps? Do we have the right talent on board to strategically change the direction of the business?

### **Talent Management**

Do we have an integrated approach to talent management? Is it ingrained in the fabric of our business? Or, do talent management processes and systems operate in silos? How mature is current talent management practice? How can we improve?

### **Talent Mind Set**

Do we have a talent mind set, and do our leaders 'walk-the-talk'? Or, do we simply pay lip-service to a strategic business imperative, pre-occupied with short-term results?

### **Culture**

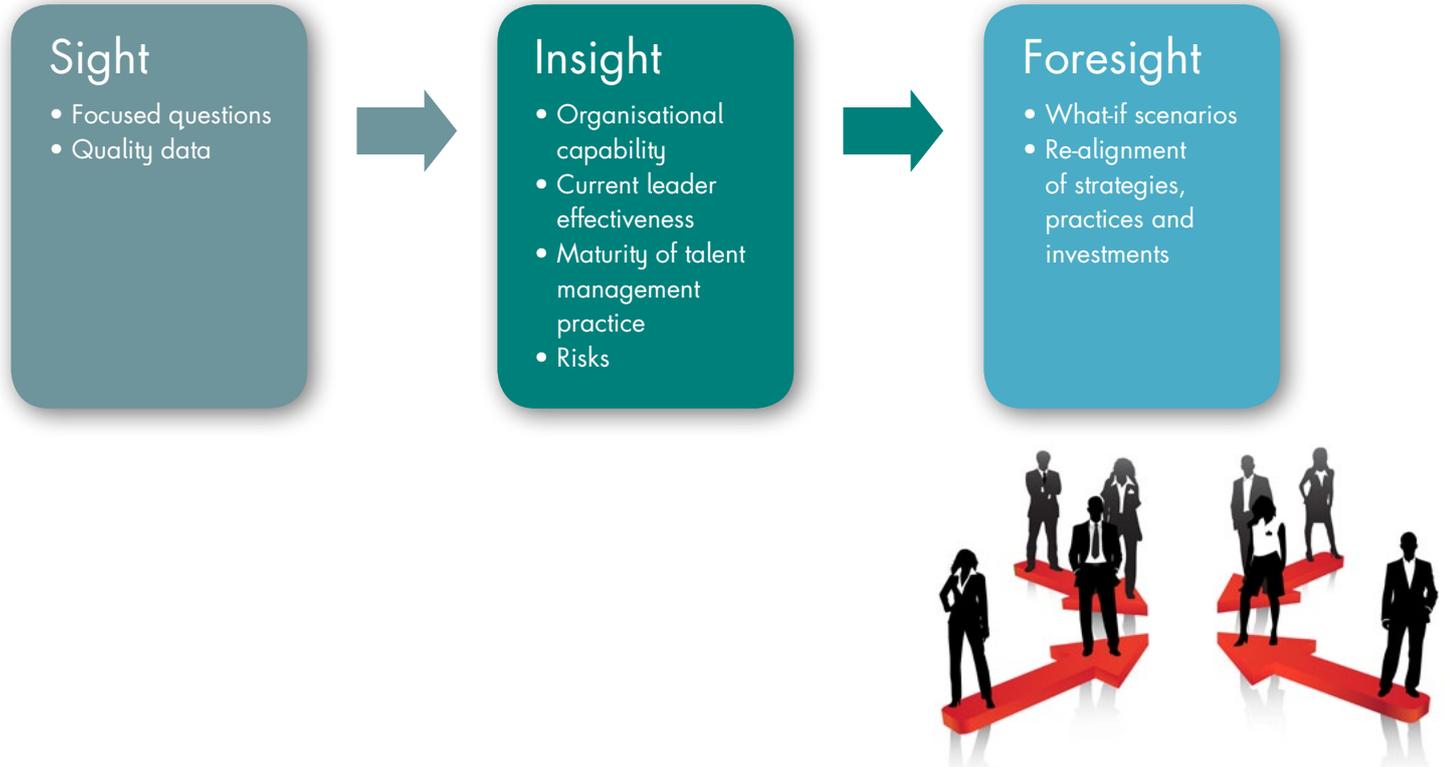
Do we have an organisational culture that encourages ongoing learning, innovation and high-performance?

### **Strategy**

Do we have a talent management strategy? Is it aligned to our business strategy? How do we build capacity and mitigate people risk?

# From Sight to Foresight

Insight from predictive data is critical for decision-making, but it is really foresight that guides strategy and investment.



# Foresight Questions

Examples of foresight questions include:

What are the **key indicators** of my organisation's overall health?

How strong is my **leadership bench**?

How can I **accelerate the development** of our high-potential staff?

Will we have a **sufficient supply of ready talent** to meet the capability requirements of our five-year growth plan?

Which units, departments, or individuals **need attention**?

Where can we get **future incremental revenue**, or derive cost savings?

What are the **highest-return interventions** to boost employee performance?

**Why do employees** choose to stay with – or leave – my company?

**What are the talent risks** to executing our business strategy?



# Summary

**A key insight provided by talent analytics is the ability to link business goals directly to talent strategies.**

Having more sophisticated analytics is not a cure-all. Neither is tracking and reporting more metrics, or certain magic metrics.

Rather than focusing on HR-spend and measuring transactional HR-metrics, talent analytics today has the power to analyse the contribution people make to business outcomes, and to demonstrate the effectiveness of talent management initiatives and investments.

There is a need to:



**Prioritise analytics**  
on critical business questions



**Translate workforce data**  
into insights



**Identify** the most scalable opportunities to make a difference (and close gaps)



**Create a roadmap**  
for action and investment

Organisations which successfully leverage analytics will be positioned to outperform their peers in executing their talent strategies.

# Measuring the Effectiveness of Talent Management Practice

High-performance organisations are more inclined to use data to drive better business decisions, and measure how effective they are at managing talent.

While the ultimate goal is to use data and analytics to gain insights into what is predictive of performance outcomes, the more common emphasis is on measuring and proving the effectiveness of talent decisions, practices and investments.



## A Conversation about Practice and Risk

By tying together the causal links between the talents of people and job performance, and by enabling a macro view of those talents, the Talent Institute helps clients make strategic and evidence-based choices as to where organisations would see the pay-off from investing in their talent management processes.

Drawing on insights derived from the use of sophisticated diagnostic measures, and an audit of current talent management practice, we equip senior leaders and their teams with insight and actionable solutions to transform practice and operations.

# About the Talent Institute

The Talent Institute is a boutique professional services firm that specialises in helping clients develop and implement strategies to more effectively manage the acquisition, deployment, development and retention of talent to support current business strategies and to prepare for future challenges.

## Next Step

If you wish to engage in a conversation about analytics and talent management practice, please contact:

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You may also wish to visit [www.talentinstitute.co.za](http://www.talentinstitute.co.za)

“Talent analytics is all about making informed decisions based on insight.”



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