People analytics: The next step in people assessment.

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If you've attended an HR conference recently you'll have seen that people can't stop talking about predictive analytics, talent analytics and people analytics. Most seem to use these terms interchangeably. What is the buzz all about? Do the different terms all refer to the same thing? Can they add value to your organization? And, is predictive analytics here to stay? We had a chat with Jouko van Aggelen, Cubiks Partner and predictive analytics project lead, to find out more.

What is predictive analytics all about?

With the business world experiencing a data revolution, the volume, speed and availability of information has reached a scale never previously seen. Like other professions, HR now has more data available to it than ever before. Whilst HR traditionally hasn't excelled when it comes to 'number crunching', the profession has started to embrace the possibilities that all this data has to offer.

There have been vast improvements to metrics, reporting (providing dashboards) and benchmarking. The 'holy grail' though is around the better use of data to support HR decision making; including the ability to better predict retention, upwards mobility, spotting high potentials and predicting the impact of learning interventions. It is the area of data driven decision making to which the term

"predictive analytics" refers. This ability is now being leveraged by HR professionals, enabling them to work on a more equal footing with other business functions.

How does predictive analytics relate to talent assessment?

Arguably the talent assessment industry, one heavily staffed with business psychologists and psychometricians, has always been data led. The development of assessment tools involves the collection and analysis of a significant quantity of data. Similarly, the validation studies so much beloved by business psychologists compare individuals' performance in assessments to their performance on the job, and show that one predicts the other.

The challenge is that these validation exercises have typically been 'one off' activities, conducted purely to show that an assessment tool works. Predictive analytics offers a far greater opportunity. It enables us to continuously improve the algorithms behind the solutions and predict a far wider range of key HR Metrics, with more precision. It offers managers (not only recruiters and other HR professionals) crisp and clear insight that they can use, and trust, to make the best possible people decisions. Today we live in a world in which data and algorithms are increasingly replacing subjective judgement.

Next steps

Cubiks has always been active in the field of analytics; we've used data for decades to ensure that our solutions assess what we promise they will assess. Now we have entered an exciting new phase; one that allows us to leverage even more data and go beyond the limitations of traditional psychometrics.

In the coming months, we will be launching the next level of data-driven assessment solutions, including job-specific algorithms, linked to our flagship assessments such as PAPI 3 and Logiks. These algorithms are based on the latest research, applying new data in larger quantities. We will also be working closely with our clients to establish direct links between their people data and a wide range of HR and business metrics.

We'll be sharing another update in the coming weeks, exploring in more depth what predictive analytics can bring to the world of people assessment. Check here http://www.cubiks.co.uk/insights/people-analytics-next-step-people-assessment-0

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