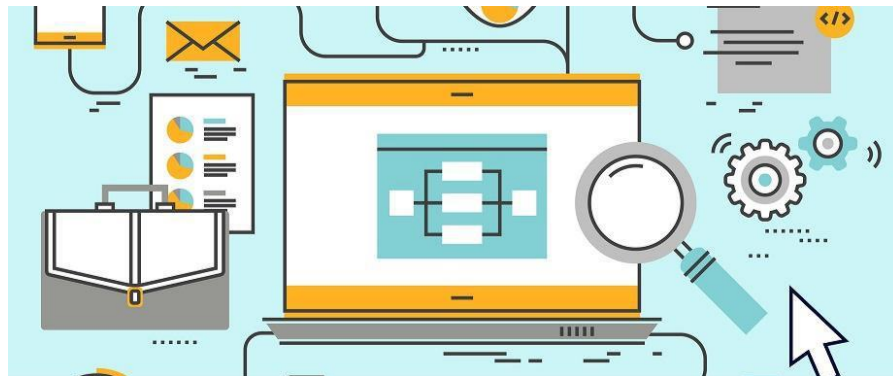# Is HR better at handling ambiguity than analytics?
By Maria Dilling, Consultant

There is no doubt that big data and HR analytics are the two of biggest buzzwords talent management has seen. A Google search on the term 'big data' yields more than a million results in around half a second. There's a consensus that people analytics is the new must have in HR, with industry experts calling data the 'new oil' or referring to it as the currency of the future.

Why all the hype?

As a result of digitalisation, today's HR departments have gained access to a huge range of data sources, including some we have never had access to previously. One example among many is the vast amount of data currently produced and collected within social media sites. We're now seeing businesses emerge onto the scene, specialising in developing algorithms to create insight from this data. These data engineers can draw all kinds of inferences from what we do online – even creating personality profiles based on our Facebook behaviour.

Algorithms that generate insight are what people analytics is all about. However, accurate predictions don't come from a single source. It's still futuristic to say with any certainty that we can predict work performance by analysing Facebook behaviour - but for now we can combine big data from various sources (external benchmarks, social media, biodata, etc.) to access reliable intelligence.

This accuracy in forecasting trends is what will be so valuable for HR departments looking to have a bigger business impact by making precise and strategic decisions. We can see from the recent Cubiks international survey on people analytics that employers agree. 65% said they believe organisations that embrace people analytics will be more successful in the long term.

Analytics: The future of HR

According to research from Bersin (Deloitte), a new major industry within HR will be the development of tools that can assess behaviour and personality based on big data. This isn't in fact a huge departure in methodology from the psychometric tools used today. Cubiks has been using algorithms to predict performance and evaluate aspects such as personality, job fit and ability for decades. What's new is the expanse of additional data now available to

employers that can be brought into the equation to make even better predictions and be agile in anticipating trends.

The Bersin paper underlines this message; employers who know what kind of talent they will need in the future, what types of talent are available and, last but not least, how to retain these talents will have a clear advantage in the future.

The challenge: Analytical people don't live in HR

The purpose of this article isn't to qualify the value of people analytics. There are already hundreds of articles on that subject. I want to take a step back and question whether analytics is still an approach that exists only in HR conversation, rather than in practice. It seems that people analytics on the whole is infrequently manifested in the busy activities of the HR department.

While big data initiatives are well established in other business functions, this area remains one that is underinvested in the HR world. A report from the CIPD summarises a key challenge when it comes to integrating people analytics; "The challenge is that analytical people don't live in HR. HR people are better at managing ambiguity than analysis".

Cubiks' survey results identified several obstacles to HR embracing people analytics. There are the
'hard' aspects such as limited data infrastructure and lack of in-house expertise. Then there is the

'human' challenge; the aversion to reliance on data in a traditionally people focused field. There is understandable trepidation around moving away from instinct and allowing algorithms to take the lead in decision making.

But we don't need to see these elements as incompatible. Using data doesn't mean ignoring the human; in fact by not using people analytics, employers are missing out on recognising vital information about their people. When it comes to your people, data isn't just a collection of numbers. It is a way to fill in a complete picture on performance, motivations, skills, abilities, potential and much more. What HR needs to remember is that when we let data tell a story, it gains a soul.

Further reading

http://onlinelibrary.wiley.com/doi/10.1111/1748-8583.12090/epdf
http://dupress.com/articles/data-assets-and-analytics/

https://www.linkedin.com/pulse/personlighedsprofil-eller-facebook-anne-broe-andersen
http://www.bigdatahrforum.com/

http://www.europeanbusinessreview.com/?p=1347

http://www.cubiks.com/articles/ThoughtLeadership/Pages/DataDoessizematter.aspx

Volver a [DCH](#)