

The logo consists of the letters 'Ti' in a bold, white, sans-serif font, centered within a white circle. The background of the entire image is a grayscale photograph of a person's hands typing on a laptop keyboard, with a large, semi-transparent white circle overlaid on the right side.

Ti

A Smarter Approach to Talent Analytics

Ensure your organization's AI
and analytics use is
successful

EXECUTIVE SUMMARY

Technological advancements over the past decade have helped fuel data analytics use; and now artificial intelligence capabilities are helping organizations gain valuable new insight into various processes and practices .

Analytics use – either involving human input or an essentially automated structure – is allowing companies to revisit and revamp key operational elements and make improvements ranging from enhancing employee management to identifying opportunities to increase productivity.

This white paper will discuss how artificial intelligence and data analytics use differs; the benefits each can provide; what companies need to do to prepare to utilize analytics-based practices – and what other factors organizations should be considered to ensure their data analytics and AI efforts are as successful as possible.



FROM ASSUMPTIONS TO ANALYTICS

Embracing data analytics practices can offer organizations a higher degree of certainty than ever before — helping them obtain more consistently effective results by making informed talent-related decisions, instead of relying on intuition or an educated guess.

Organizations that excel at using people-related analytics, in particular, have been found to be three times more likely to outperform their peers financially, according to a report from [DDI](#), The Conference Board and EY. Data use, [Deloitte research](#) has found, can also help companies outperform their competitors in retention, quality of hires and having a generally more highly ranked employment brand.

Interest in assessing information from various sources, such as time tracking software or employee performance records, has escalated in recent years. This information can identify patterns, relationships and other insights that can help strengthen talent management and acquisition efforts has escalated in recent years.

Yet a number of barriers — ranging from data maturity restraints to difficulties holistically integrating the technology — have impacted employers' ability to utilize analytics and artificial intelligence successfully, if at all. Only 12 percent of organizations, in fact, say they've been able to effectively leverage analytics-related findings to inform business decisions, according to [Gartner research](#).

To attain the full range of talent acquisition and management benefits — from strengthening employee performance to understanding what elements are lowering engagement — an

enterprise's leadership needs to ensure the organization adopts the right approach to analytics and AI use — or any analytics-related effort may fail to achieve many of the organization's intended goals.

WHAT'S HOLDING ORGANIZATIONS BACK?

To ensure their analytics efforts will be on target, organizations initially need to clearly define what problem (or problems) they're trying to solve to be able to identify what information would be the most relevant to gather.

An healthcare organization experiencing a high turnover rate, for example, set out to reduce turnover amongst first-year hires by analyzing pre-screening candidate scores that had been sent to hiring managers for review; the percentage of those candidates who'd been interviewed; the percentage who were eventually brought on board and rated as high-quality hires; and their 90-day retention rate, according to a [LinkedIn guide](#) on data-driven recruiting.

Distributing scheduled satisfaction surveys to collect information about employee attitudes and compiling exit interview responses might be beneficial if you're trying to measure and improve engagement. Some organizations have used sensors to track employees' physical movements and amass information about how and when workers collaborate.





Digital training modules can measure employee participation in development programs and advancement toward goals their supervisor has set; companies may also be able to confirm workers have adequately absorbed new skills through follow-up testing, which can help gauge both an employee's competency level and the training tool's effectiveness.

To maximize analytics and AI outcomes, companies may also want to consider addressing some of the other common issues that can derail data-centric initiatives — such as:

DATA MATURITY

For the information companies gather to ultimately be useful, it needs to be accurate — otherwise, they may be working of a skewed view of hiring results, employee productivity and other talent-related aspects.

According to research from [Bersin by Deloitte](#), 90 percent of organizations with the highest level of

data maturity — ones where people analytics use has been institutionalized and comprehensively integrated — feel confident the talent-related data they've been able to collect is accurate.

Some organizations, though, have struggled to successfully gather analytics, due to factors such as security issues. Data privacy and security concerns, according to MicroStrategy, are the most daunting obstacle companies face in achieving more effective data analytics use. Deloitte's 2018 survey found six out of 10 organizations were concerned about employees' perception of how their data was being used.

Consistency, resulting from disjointed human capital management systems and a lack of tools that could integrate data from various sources, can be another difficulty. The majority of companies (69 percent) Bersin spoke with had only reached the second data maturity level, and were still hovering in the analytics consolidating and building stage. An additional 14 percent were in the most primary data maturity stage — where efforts were fragmented and unsupported.

The findings echo the results of a [2018 Gartner global survey](#), which found 91 percent of organizations hadn't reached a transformational level of data and analytics maturity. Sixty percent of respondents rated themselves in the lowest three levels of the maturity scale. Ones who ranked themselves as being in the third level had some integration of data sources; organizations that hadn't progressed past the first maturity level managed data and analytics in separate silos, with conflicts arising over which group's information was correct.

For some organizations, to increase accuracy, an investment in new technology may be required. Forty-one percent of organizations said obtaining analytics information was a central motivation for adopting human capital management technology, according to a Brandon Hall Group [study](#).

FINDING EXPERIENCED TALENT

Analytics can still be considered to be an emerging field; and as a result, hiring qualified professionals who can perform data-related services can be a challenge.

Thirty-seven percent of the C-suite members McKin-



sey polled identified having a lack of people with the necessary analytics-associated work skills as a central reason their organization had not aggressively pursued analytics activities.

Thirty-one percent of employers have taken steps to address AI skill-related deficits; however, less than seven percent say their HR functions are ready to handle an increase in automation, according to a Willis Towers Watson [survey](#).

CULTURAL ADAPTION CHALLENGES

Shifting to a more data-driven model may not be easy for organizations that have traditionally relied primarily on leadership's expertise and intuition in decision-making. Sixty-six percent of CEOs and other C-suite members said senior leaders not being sufficiently committed to making changes was an analytics-related implementation difficulty, according to McKinsey.

In addition to the HR department possessing strong data capabilities, Bersin found several factors can

contribute to organizations reaching their full analytics potential – including having multidisciplinary people analytics teams and prioritizing actionable information delivery, instead of just collecting and inspecting data. For a company to reach full analytics maturity, data-driven decision-making needs to be completely embedded in its culture.

UNDERSTANDING THE DIFFERENCE BETWEEN ANALYTICS AND AI

While data analytics and AI contain some commonalities, the terms can be easily confused – but organizations need to understand what each process entails, and what results it can achieve, to determine which to invest resources in.

Generally, data analytics refers to the act of gathering, reviewing and potentially comparing information – such as records of employee absenteeism and quarterly output statistics – to allow people to draw insights from the findings.

Artificial intelligence involves a similar approach. AI and machine learning processes may draw from the same informational sources a data analysis effort would; and the information would be reviewed for patterns and other insights. AI and machine learning, however, take that process a step further to incorporate the use of technology to make decisions and/or take action automatically and autonomously.

Essentially, AI is less likely to inherently need a direct human input element; over time, it can, in theory, act as the human mind in a situation and assess potential elements and outcomes, whereas data analytics use tends to rely on a person or people physically reviewing findings before any action occurs.

Companies are using data analytics – culling and assessing information, but without an intuitive tool to automatically put any acquired insights into action – in some of the following scenarios:

Succession planning

In a recent Harvard Business Review-published [survey](#), 94 percent of HR respondents from 23 countries said data analytics has helped them obtain





accurate, real-time insight into their employees' career development goals – and their department now feels it can predict the likelihood of turnover in critical roles with a high degree of confidence.

Employee management

A 2018 [survey](#) found 80 percent of organizations are using employee records and data to measure performance. Analyzing hourly labor information, for example, can help companies find patterns that indicate a payroll leakage is occurring. A number are also utilizing employee records-related information to measure retention, reduce turnover, augment engagement and advance recruitment efforts.

The hiring process

Google, for example, was able to reduce the number of interviews it had previously been conducting – potentially up to 12 – to just four after predicting with an 86 percent chance of accuracy that it could determine whether or not a candidate should be hired in that timeframe, according to the company's re:Work [blog](#).

Employee benefits

Some organizations are examining data to see which amenities are the most popular to ensure future offerings will align with employee interests. Defined contribution plan sponsors, for instance, may find constructing a baseline assessment that includes age, location and other analytics will help them identify individuals or groups that might not be adequately prepared for retirement, according to Willis Tower Watson [research](#) – a scenario 32 percent of organizations anticipate will be an issue in the future. Armed with that information, plan sponsors can potentially alter their offering's design and/or the tactics used to motivate employees to participate.

With industries aggressively investing in projects that involve AI software capabilities, a recent International Data Corporation [analysis](#) predicted worldwide spending on AI systems will reach \$35.8 billion this year – a 44 percent increase from 2018. AI spending is expected to more than double by 2022.

Organizations are currently using the technology to support for a number of internal, talent-oriented processes – including:



Recruiting and hiring

Some organizations utilize AI to review previously considered resumes to ensure qualified candidates weren't inadvertently missed – a procedure known as [talent rediscovery](#). Several years ago, an analytics model was also created that assesses portions of the interview process to identify candidates who may eventually become toxic employees, according to a Deloitte [report](#).

Employee oversight

While many reports have focused on how AI and related technologies will automate – and potentially replace – jobs, Littler's 2018 employer [survey](#) actually found automation was the fourth most frequent use of the technology. More companies utilize AI for making strategic and employee management decisions (31 percent), such as evaluating possible employee promotions. Nearly a quarter (24 percent) of organizations use AI to analyze workplace policies and practices – for example, identifying wage disparities by gender, according to Littler.

AI-driven tools are also available that, by monitoring employee network activity and/or calculating a risk score for individual employees, can help identify employees who might be a flight risk.

Training and education

HR professionals rated training as the top talent management area that would benefit from AI, according to Allegis Group.



New applications, according to Deloitte's 2017 Human Capital Trends [report](#), are also available that will examine online performance and send suggestions to employees' managers, based on artificial intelligence, to encourage coaching.

Productivity

The most popular way AI and machine learning are being used is to increase efficiencies or worker productivity, according to 51 percent of the U.S. senior executives who participated in a RELX [survey](#).

More than half – 52 percent – of businesses are employing advanced and predictive analytics to obtain a deeper view of operations, according to MicroStrategy.

Reducing risk

A third of the business executives polled by RELX said machine learning and AI were helping their organization detect fraud, waste and abuse. Fifty-two percent of companies are spending more on cybersecurity analytics they did last year, according to an EY [survey](#).

ANALYTICS' FUTURE OUTLOOK

Whether employers are ready for it or not, analytics and AI use is escalating in the workplace – a growing amount of organizations are using insights the technology has provided to help hire, manage and incentivize employees. Eighty-four percent of HR and business leaders said they viewed people analytics as important or very important in Deloitte's 2018 Global Human Capital Trends [survey](#).

As of 2017, more than one in 10 HR managers had also already seen evidence artificial intelligence use was becoming a regular part of their department's work, according to a CareerBuilder [survey](#). More than half said they expected HR's responsibilities to include AI by 2022.

By crunching numbers and pouring over the results – either by hand or through automation – companies are now able to obtain valuable insights into how their operations work, allowing them to draw

conclusions about how to improve them.

Yet research indicates companies may be missing out on opportunities to integrate the approach in areas such as company culture, which less than 40 percent of businesses are using employee data to enhance – and attempts to adopt an analytical approach aren't always an automatic win.

Companies hoping to harness the power of analytics need to understand what benefits AI and general analytics use can provide; define what outcomes they hope to achieve and establish accurate methods for gathering information. Text-oriented techniques, such as Sentiment Analysis and Key Phrase Extraction, two methods Talent Intelligence employs, in addition to predictive analytics, can help organizations glean insights from unstructured text data, such as candidate resumes and interview responses.

Once you've amassed data, you'll need to identify the best way to not only review large amounts of it, but also share the resulting findings with internal teams and key decision-makers in an easy-to-understand format. Utilizing interactive dashboards, such as the ones Talent Intelligence has created, empowers organizations to track the progress and flow of recruiting projects. To enhance the ability to make talent decisions, Talent Intelligence also builds a custom AI solution for the organization that's powered by a wide range of recruitment metrics.



ABOUT TALENT INTELLIGENCE

Talent Intelligence is a global consultancy that uses its expertise and experience to deliver a smarter approach to people. It enables some of the world's most dynamic businesses to find, recruit and retain people, powering their performance and giving them the commercial and competitive edge

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