**HR AND BIG DATA**

**THE IMPLICATIONS FOR HR**

From a HR perspective, “big data” is a dynamic gold mine for the prospective employer, which can cover all areas of HR management including the full lifecycle of HR functionality across different categories, disciplines and borders. More importantly, “big data” will deliver tangible results after processing an inordinately huge amount of data collected from various sources, both internal as well as external.

Imagine the leverage that you would have if you were able to do any of the following:

- Know where to place your online recruitment advertisement for best results at optimal cost.
- Understand the effectiveness of job vacancy advertising through various media and pinpoint which media brings about the best returns.
- Have a clear picture of the demographic profile of your potential workforce and their media preferences when searching for jobs.
- Create more effective recruitment and advertising strategies and also identify the target candidates quickly and more effectively.
- Know the effectiveness of your entire talent management including what attracts potential employees.

A technology-enabled solution that meets even half of the above requirements would give you a distinct competitive advantage. This is what modern businesses yearn for.

However, the trick is to put this massive amount of information to work for you, not only for HR, but for the entire organisation.

Doing so gives greater visibility and demonstrates innovation and leadership for the HR team.

To effectively leverage on this intricate and voluminous set of data, you may want to engage the services of “data scientists”, a new profession that marries the science of information management with the demands of the latest technological innovations.

**WHAT THE FUTURE HOLDS**

In an increasingly competitive and challenging business environment, organisations around the globe are looking to make a difference in the way they project and brand themselves.

As analytics become a trending innovation in the technology space, it is more so for HR analytics.

For organisations that have yet to use information systems such as SAP, Peoplesoft or SAS, this might be your stepping stone.

Investing in a custom built solution tailored to meet the needs of the business would definitely give high visibility to your organisation.

This is crucial as HR would then be seen as a strategic business driver in the organisation, rather than just an operational and administrative unit.

“The ability to handle extremely large data volumes,” predicts Vonne Genovese, vice president and analyst at Gartner, “will become a core skill in businesses and organisations.”

“Increasingly, they will be looking to use new forms of information – such as text, context, and social media – to identify decision-supporting patterns. This is what Gartner calls a pattern-based strategy.”

**PREDICTIVE ANALYTICS**

Technology companies are pushing the barriers of innovation when it comes to HR analytics.

Predictive analytics (see Figure 1) is the latest buzzword in the management pages of technology journals globally.

What this means is that such technology has created an unseen sophistication and intelligence that is able to predict the future based on past trends, and analyse the future outcomes of business decisions based on the data currently available.

On top of the smart HR dashboard, more organisations are turning to predictive HR analytics to give them an in-depth overview of their workforce and to make predictions on the future behaviour of their employees.

This is a most welcome addition when it comes to hiring, training, developing and managing employees, especially where it involves diversity in culture or other factors.

**Case study: Impact of predictive analytics**

Xerox reduced call centre turnover by gathering and studying data on the characteristics and job performance of frontline employees, then applying what it learned to the hiring process.

Even an analytics firm found that employees without call centre experience were just as successful as those who had it, allowing Xerox to broaden its candidate pool.

Armed with such detailed information on what made a successful hire, Xerox was able to reduce attrition by 20%.

Given that it costs Xerox US$5,000 to train a call centre employee, that reduction had a real financial impact.

**CONCLUDING THOUGHTS**

Predictive analytics solutions certainly look like the future of technology. Moving forward, it is high time for HR practitioners in Malaysia to look into big data and HR analytics.