

The Rise of Analytics in HR

Section 2: Trends on the Rise of Analytics





About the report: The Rise of Analytics in HR

The need for high-performing talent has never been greater. It's clear that by leveraging data analytics, HR leaders are in a better position to hire, retain and grow their workforce.

But building a data-driven function across every dimension of the HR function – from talent acquisition to performance, to workforce planning and policies, and to employee engagement and retention – can be complex and challenging.

In this section, we look at what is driving the rise of HR analytics. What are the key reasons businesses are investing in analytics capabilities, and how do these trends and drivers differ between countries?

To find out more, download the full report at <http://lnkd.in/riseofanalytics>

Analytics is on the Rise in HR





The conversation about the application of data analytics in human resource management is not new. Organisations have been talking about this for over a decade - but that doesn't mean every organisation is at the same level or having the same conversation. There are different maturity levels when it comes to the adoption of data analytics, ranging from simple reporting to sophisticated predictive analytics. Objectives also vary by industry, from the need to justify investments to predicting risks to making workforce planning business decisions.

Although companies look to use data analysis for different means, what's striking is that many organisations are now part of the conversation. The 2017 Deloitte Human Capital Trends report states that 85% of HR leaders in Asia and 81% in Oceania see analytics as a high priority in their organisations.¹

When we looked at LinkedIn data for Asia Pacific, we found there has been a 70% increase in specialised analytics professionals in HR in the last five years.

These are professionals who focus solely on analytics in HR and can have a variety of job titles, including 'Data Scientist', 'Talent Analytics Director' and even 'Diversity Analytics Specialist'.

This clearly shows that several enterprise companies have already established analytics teams, although they can go by different names such as 'talent analytics' or 'people analytics'.

¹ Deloitte Report: 2017 Global Human Capital Trends [People Analytics: Recalculating the route](#)

What is driving the rise of analytics?

One major question surrounding data analytics is why its growth is happening now, and what – or who – the drivers of talent analytics are. As it happens, the main drivers are pretty hard to ignore: the CEO, technology, and a growing competitive landscape.

• The CEO's relationship with the CHRO

According to the 2017 PWC CEO survey, 77% of CEOs see a lack of availability of key skills as the biggest threat to their business.² With talent issues taking up a lot of the CEO's time, it has become imperative for the CHRO to be a trusted partner in building the workforce of the future. To achieve that seat at the table, HR leaders need to use analytics to answer critical talent questions around workforce diversity, skills gaps, performance management, employee engagement, retention, workforce planning, and more.

• The growth in HR technology & innovation

Over the last five years, the adoption of technology has moved from static HR management solutions to more dynamic, social, real-time, cloud and mobile-based tools and platforms. These are being integrated in the areas of recruitment, collaboration, productivity, learning, wellness and performance management. Sierra-Cedar research shows that 45% of large companies and 51% of mid-sized companies are increasing their spending on HR technology.³ This trend is not restricted to only within organisations; today, technology innovation has massively opened the market for talent. The vast majority of candidates can now be found online. Candidates have access to an abundance of information on companies and about opportunities, allowing them to engage with recruiters, companies and other employees before they are hired.

• An increasingly competitive landscape

Beyond basic consumer-facing competition, organisations are fighting a constant war for talent, which can best be addressed through workforce analytics and planning. This includes identifying what a company is going to need in terms of its size, structure, type of talent, experience, skills, industry knowledge, and the assurance that they will have access to a pipeline of the right people to remain competitive. Many businesses might know where they need to be in the next 2-5 years, but what about 10-15 years down the track? This predictive form of analytics is becoming irreplaceable to manage effective teams, maximise profits and ensure success in the long-term in various markets.

² [20th PWC CEO Survey](#)

³ [Sierra-Cedar 2016–2017 HR Systems Survey White Paper](#), 19th Annual Edition

“How do we identify and predict who are going to be the next batch of successful leaders in our organisation?”



Regan Taikitsadaporn
Chief Human Resources Officer
Marriott International

“How do we make informed decisions around labour mix, talent attraction and development – even at the end of our life cycle around attrition or turnover? What is the supply of talent in the external marketplace?”



Paul Stratford
Director of Global Talent
Telstra

“How impactful is our leadership, the way we work, and our processes? How strong is our culture, and do we have the right people?”



Helen Russell
Chief People Officer
Atlassian

Country views on the state of analytics in HR



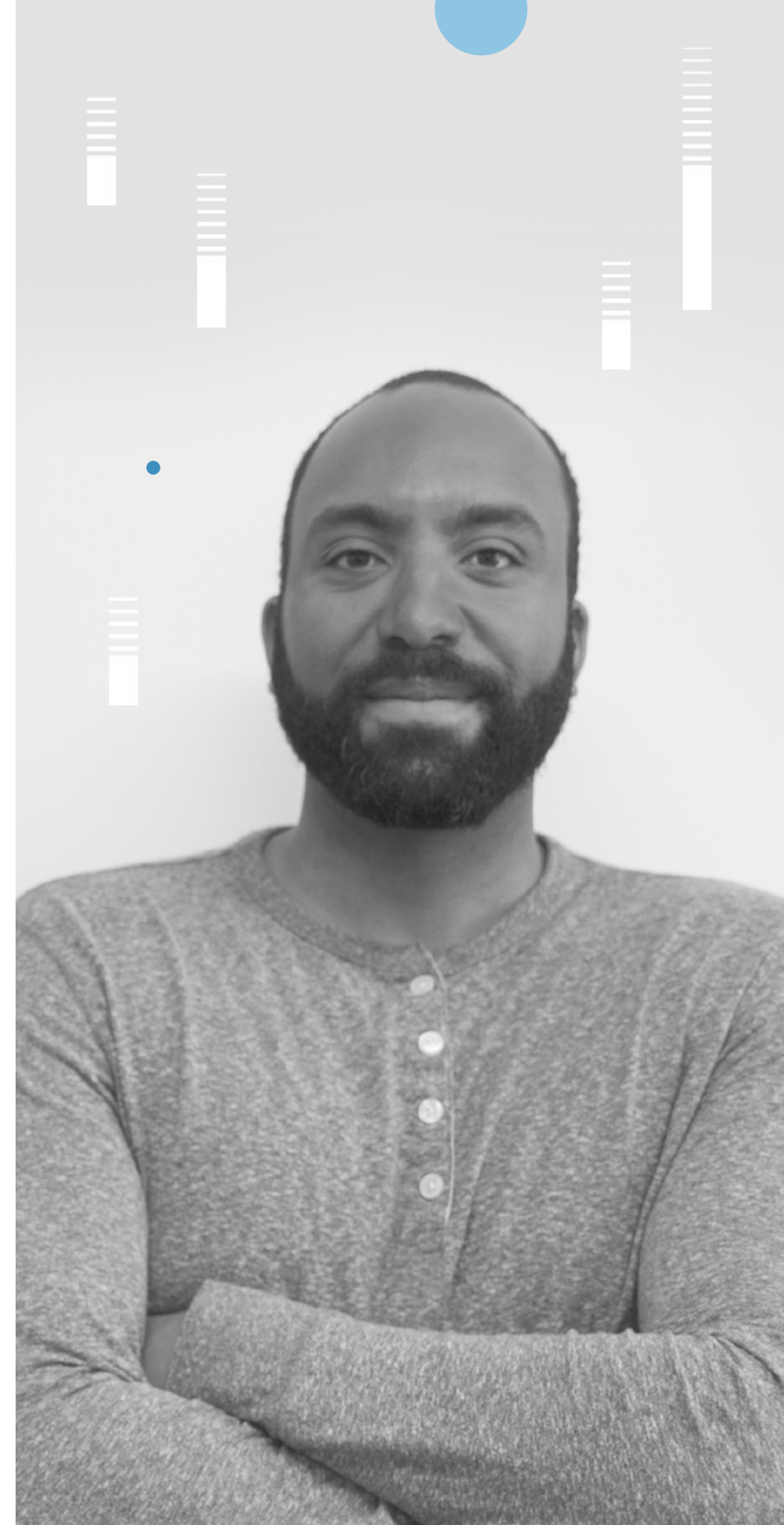
Country views on the state of analytics in HR

When it comes to adopting data analytics, the financial service and software sectors lead the way across Asia-Pacific – but the top adopters change across different markets within the region.

Visualising which sectors are adopting analytics into their HR teams can help you understand how your competitors are doing, which in turn can guide your strategy to ramp up your own talent analytics capabilities.

This presents an opportunity for you to move quickly and begin to build the capabilities necessary to implement a data-driven function.

Here, we have broken out the findings on the state of talent analytics for Southeast Asia, India, China and Australia to showcase which industries are leading analytics adoption in the region.



Country Views on the State of Analytics in HR

Country Workbook: Southeast Asia



Southeast Asia may have been known to be slow to adopt big data, but appetite for people analytics has been nothing but robust.

Q. Are companies trying to arm their HR function with analytical capability?

☒ Yes ☐ No

Companies are actively looking to ramp up their HR function with analytics capability!

16%
of HR jobs require analytics skills or experience

Q. What are the top industries utilising talent analytics?

Indonesia	Malaysia	Philippines
<ul style="list-style-type: none">FinServAero/Auto/TransportHealthcare & Pharma	<ul style="list-style-type: none">TelcoFinServOil & Energy	<ul style="list-style-type: none">SoftwareFinServProfessional Services
Singapore	Thailand	Vietnam
<ul style="list-style-type: none">FinServHealthcare & PharmaSoftware	<ul style="list-style-type: none">TelcoFinServOil & Energy	<ul style="list-style-type: none">SoftwareFinServHardware

Data: Only countries with sufficient sample sizes have been included in this analysis

Q. What HR problems are SEA companies prioritising?



Q. Which clusters of skills are most commonly used in talent analytics?

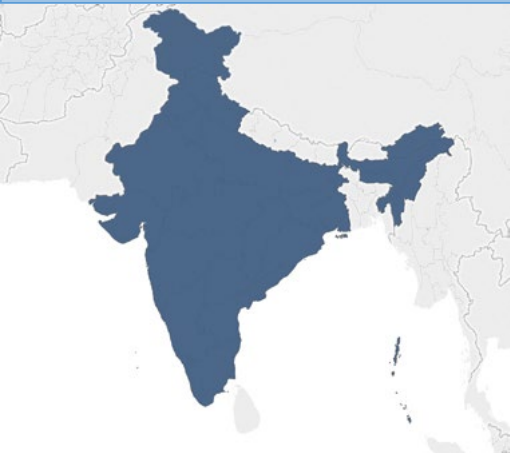


Companies with at least 500 employees or more have been included in this analysis.
Data current as at March 2018. Southeast Asian countries include Indonesia, Malaysia, Singapore, the Philippines, Thailand and Vietnam.

Country Views on the State of Analytics in HR

Country Workbook: India

India is known as the tech hub in the region and globally, but is their HR function equally tech savvy?



Q. Are companies trying to arm their HR function with analytical capability?

☒ Yes ☐ No

Companies are actively looking to ramp up their HR function with analytics capability!

14%

of HR jobs require analytics skills or experience

Q. What are the top industries utilising talent analytics?

- FinServ
- Software
- Professional Services
- Telco
- Hardware

Q. What HR problems are companies in India prioritising?



Q. Which clusters of skills are most commonly used in talent analytics?



Companies with at least 500 employees or more have been included in this analysis.
Data current as at March 2018.

Country Views on the State of Analytics in HR

Country Workbook: China

China has an abundance of tech talent with advanced skills. But does that capability extend to the HR function?



Q. Are companies trying to arm their HR function with analytical capability?



Yes



No

Companies may be looking inward for building their analytics capability for the HR function

12%

of HR jobs require analytics skills or experience

Q. What are the top industries utilising talent analytics?

- Software
- FinServ
- Media & Entertainment
- Professional Services
- Healthcare & Pharma

Q. What HR problems are companies in China prioritising?



Q. Which clusters of skills are most commonly used in talent analytics?



Companies with at least 500 employees or more have been included in this analysis.
Data current as at March 2018.

Country Views on the State of Analytics in HR

Country Workbook: Australia

Known locally as a more mature market when it comes to HR and TA strategy, is Australia living up to its reputation?



Q. Are companies trying to arm their HR function with analytical capability?



Yes



No

Companies are actively looking to ramp up their HR function with analytics capability!

15%

of HR jobs require analytics skills or experience

Q. What are the top industries utilising talent analytics?

- FinServ
- Oil & Energy
- Software
- Healthcare & Pharma
- Telco

Q. What HR problems are companies in Australia prioritising?



Q. Which clusters of skills are most commonly used in talent analytics?



Companies with at least 500 employees or more have been included in this analysis.
Data current as at March 2018.

Methodology

The result of this analysis represents the world seen through the lens of LinkedIn data. As such, it is influenced by how members choose to use the site, which can vary based on professional, social, and regional culture, as well as overall site availability and accessibility. These variances were not accounted for in the analysis.

We looked at all members who list dated work experience on their profile and grouped the millions of unique, user-input job titles based on common job roles (which have many permutations). For example, the “HR analytics” job title includes user input titles such as “people analytics” and “workforce analytics.” We also looked at members whose functions are listed as HR, which is determined through either member input or LinkedIn’s standardisation algorithm based on member position, occupation and/or the industry segment of the employing company.

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The LinkedIn Economic Graph



562M members



50K skills



18M employers



11M open jobs



29K educational institutions