

Evolution of  
HR *analytics:*  
Perspectives from  
Singapore, Hong Kong  
and Malaysia

# About the CIPD



# Championing better work and working lives for more than 100 years

**1920**  
Our first journal is published



**1946**  
Renamed the Institute of Personnel Management (IPM)

**1973**  
We reach 15,000 members



**2000**  
The IPD is granted a Royal Charter and so the CIPD is born

**2010**  
We expand into Asia with a new office in Singapore

1910s	1920s	1930s	1940s	1950s	1960s	1970s	1980s	1990s	2000s	2010s
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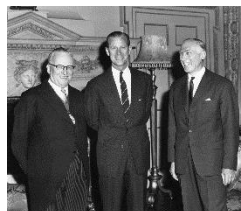


**1913**  
The Welfare Workers Association is founded at a meeting in Rowntrees in York

**1931**  
We become the Institute of Labour Management with a new journal to match

**1937**  
Our first office outside the UK opened in Ireland

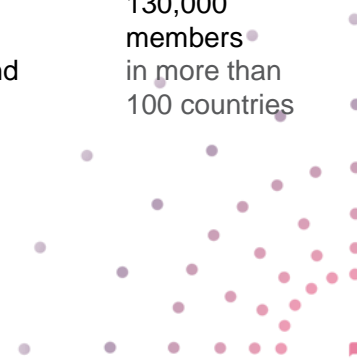
**1963**  
We celebrate our Golden Jubilee



The Duke of Edinburgh with Sir Ralph Perring, Lord Mayor of London, and Mr. G. R. Moxon, President of the IPM.

**1994**  
IPM joins forces with the Institute of Training and Development in 1994 to create the Institute of Personnel and Development

**2013**  
We celebrate our centenary with more than 130,000 members in more than 100 countries



# Analytics in context

Social and ethical  
responsibility

Body of knowledge  
and skills

Situational judgement

Commitment

CPD

Identity



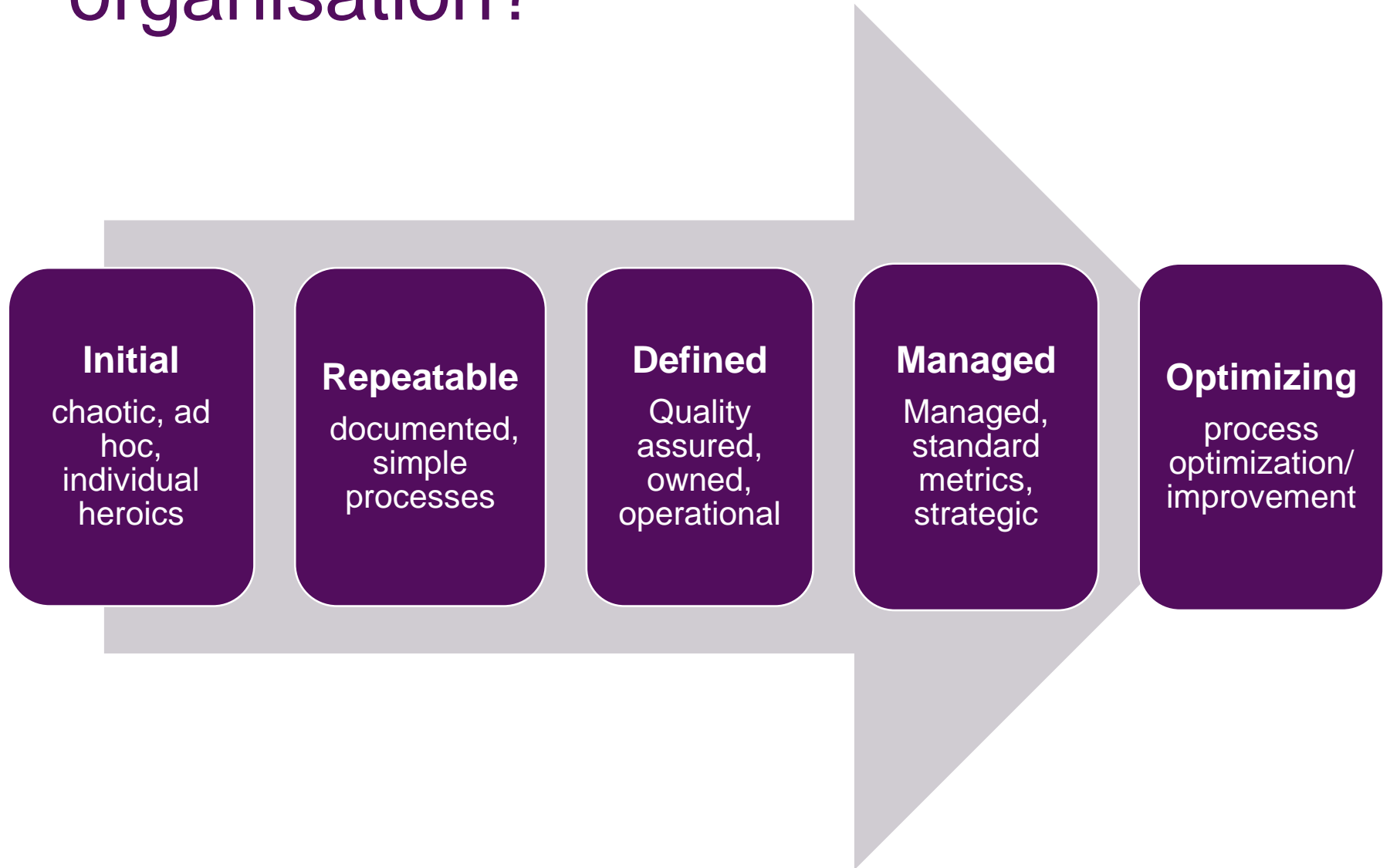
# Identify and purpose of HR

- Cost centre?
- Enabling function?
- Engine for brand authenticity?
- Margin generator?

Influences  
approach  
and language



# Analytics maturity: where is your organisation?



# Findings

Findings clustered in to four broad themes

1. Linking HR strategy and HR analytics strategy
2. Use of data and analytics
3. Defining HR metrics: reporting HR data
4. Developing HR analytics capability



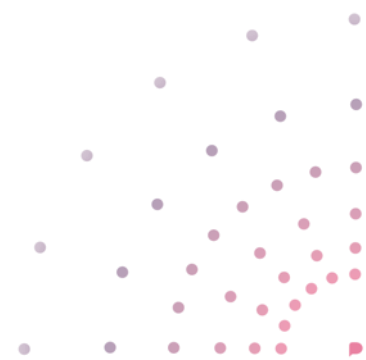
# Methodology

## Case study interviews

- Semi-structured interviews of HR managers and directors working in Singapore, Hong Kong and Malaysia
- Explored:
  - Context
  - Approach to HR analytics
  - Barriers and opportunities
  - Future aspirations for HR analytics
- Participants: 13, including:
  - Maybank
  - Nestle
  - KPMG
  - Johnson & Johnson

## Region-wide survey

- Online survey of 35 questions exploring major themes:
  - Technology
  - Capability
  - Aspirations
  - Experience
- 107 respondents

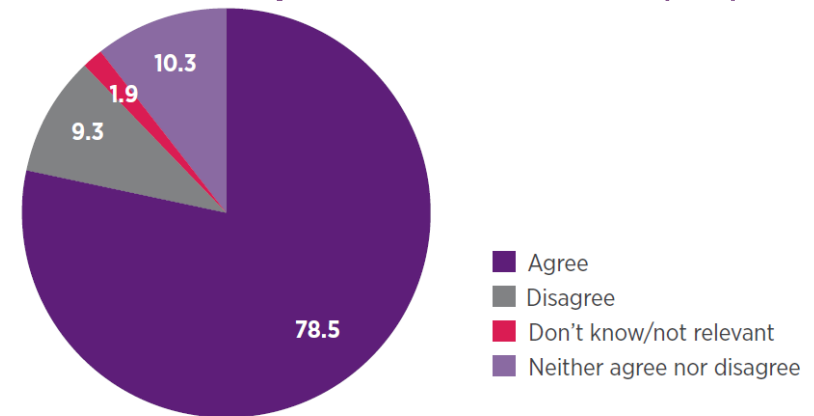




# 1. Linking HR strategy and HR analytics strategy

- Investment is coming for strategic priorities; business buy in is essential
- Long-term vs short-term views. Analytics helps define a sustainable approach
- Analytics strategy and HR strategy are separate but complimentary
- HR analytics investment continuing to increase: 34.6 % of respondents will increase investment over next 12 months.

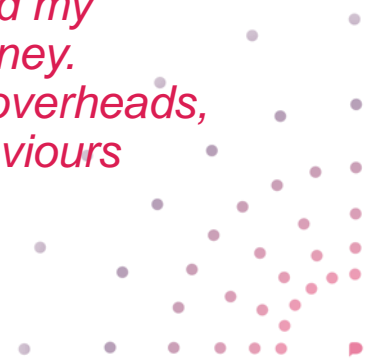
HR analytics is having a significant impact on our business performance (%)



‘For HR, we are the one who supports the business. So we have to support the business on the strategy side, on their wishes, their missions and their purposes.’  
HR professional, PSF

# Nestle Malaysia: Steps towards being more data-driven

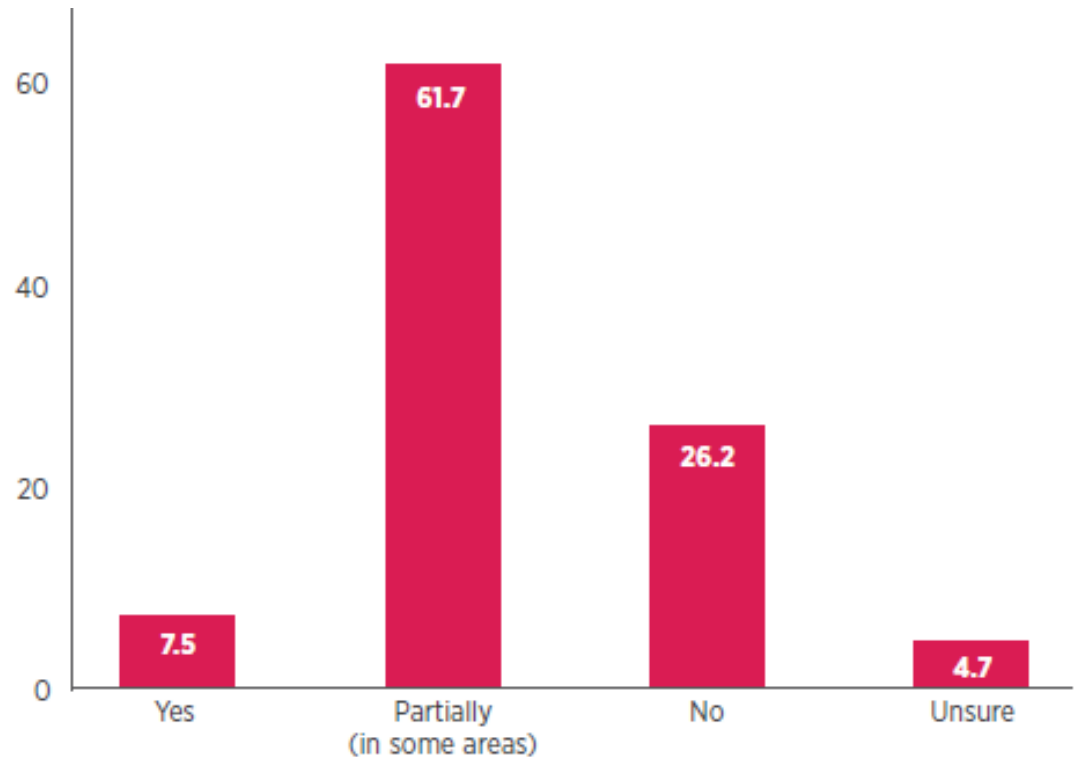
- Step 1: Map your journey and aspiration
  - *'The journey begins, with two solid things in place. One, the technology. and then secondly, the skill to be able to use that technology to get to the results that you want. The mind-set exists but we haven't yet put in place particular technologies'*
- Step 2: Explore the data itself and agree objectives:
  - *'I would first try to get the foundations in place by setting objectives - make sure we know what we are doing and that we are measuring the right way and are producing results.'*
- Step 3: Up-skill HR teams
  - *'Then, it would be necessary to upskill HR staff in analytical thinking ...we are investing in HR analytics because we know that we're sitting on mounds of information that we're not leveraging.'*
- Step 4: Share and learn – drive business value
  - *'Nothing kills an opinion like a fact. Factual information strengthens the way HR business partners speak to the business...I'd like to be able to say that the data that came out of the HR department helped my business make better money. Helped us to reduce our overheads, helped us to correct behaviours before they emerge.'*



## 2. Use of data and analytics

- Specific focus on business issues
- Few organisations are leveraging multiple types of data for analytics (multidimensional data)
- Line managers are crucial enablers and users
- HR tech is a barrier to high quality analytics

Does your organisation analyse multi-dimensional HR data? (%)

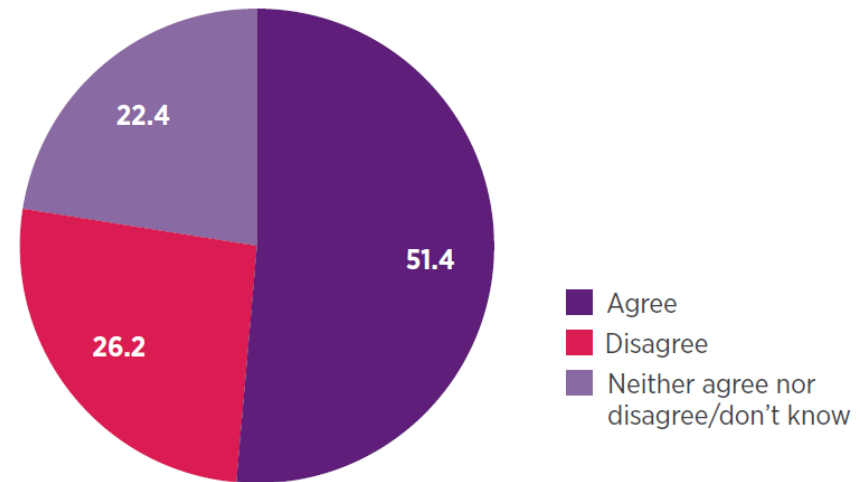


# 3. Defining HR metrics: reporting HR data

- Standardisations vs context specific measures – which is more valuable?
- **49.5%** of organisations surveyed are creating regular reports of HR data including explanations; however only **8.4%** write a dedicated human capital report.

We have standardised definitions for all HR measures/metrics in our business (%)

n=107



# Maybank Malaysia: being transparent to leaders and employees

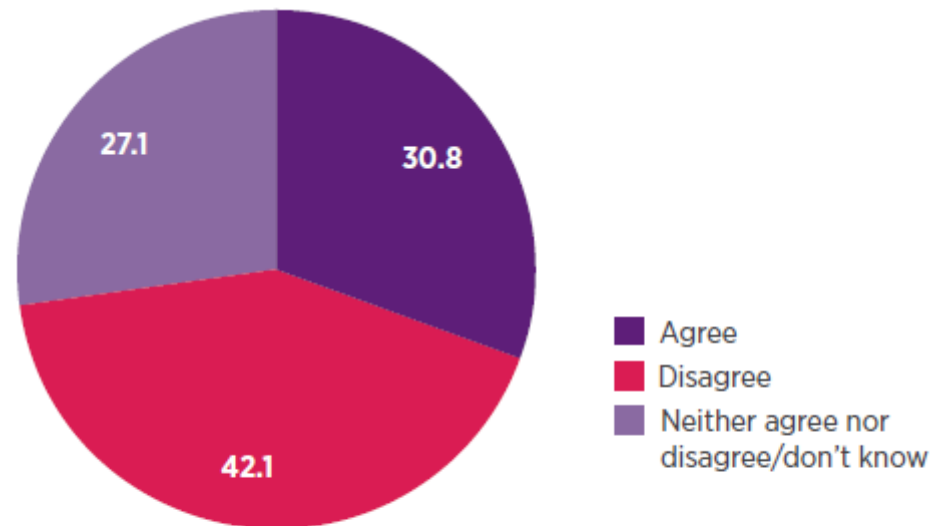
- A growing business, Maybank is increasing investment in people and HR. People data is therefore vital:
- *“It is suicidal for any HR director to stand in front of the board and say, “I’m going to increase staff cost.” You need facts and figures. I had to show them that we were below on some indicators – and we needed investment.’*
- The team looked in to the balanced scorecard (BSC) to investigate which data would tell their story. In the scorecard one indicator was referenced time and time again: number of days training. This was causing a problem:
- *‘if it is the only Indicator in the BSC, becomes a behavioural and business risk: it is very dangerous, as it was tied to a balanced scorecard that was tied very, very tightly with bonus’*
- To remedy the issue the HR team set about updating the scorecard and being transparent with data to the business:
- *‘We went out and told our leaders and our people, “these are some of the indicators that we’re going to be tracking and we’re going to be making it very transparent to you”. We communicated to employees about how the organisation values their commitment and the level of investment we’re making.*
- The effect of this transparency? Greater trust and potentially increased retention.
- *‘I think that gave the talented employees a comfort that they should stay, because they felt that all these things are in place and they are being given a fair deal in terms of compensation.’*

# 4. Developing HR analytics capability

- Delivering insights at speed and on demand is a top priority
- Integration of HR, Finance and IT systems
- A mix of qualitative and quantitative data is expected;

We use statistical tools to model HR data and predict future trends (%)

n=107



# KPMG Malaysia: bringing outside data in.

- *'We are the custodians of our people and we take care of them. ... How do we make sure that we really, really value them? ... How can we make them feel like they are assets?'*
- Making HR analytics part of the HR strategy is one way in which HR is showing the business how important people data and analytics is. Particularly for forecasting:
- *'We'll be able to show and demonstrate to our business leaders that "HR can add value to you through giving you more analytics" and help predict the future or at least anticipate the changes.'*
- As part of a global firm, KPMG has access to capability to utilise people data. Taking a global perspective is one way analysts can add value:
- *I think [analysts] need to have a bigger sense of the business world around them, not just within our business but outside of it too. I think the gap in many HR analysts' capability is an understanding of the overall economic, social and political environment outside of [our business] ...they have to look at the bigger picture and its impact on HR.'*
- Bridging the gap between internal and external data is one way in which KPMG's HR team will illustrate its understanding of the KPMG business, and how HR is helping to create value.

# Recommendations

- 1. Attract new analytics talent in to the profession**
- 2. Develop standards for HR/people measures**
- 3. Champion better metrics and analytics internally**
- 4. Develop analytics roles throughout the function**





# Conclusions

- HR analytic skills are in short supply in the region – this continues the trend seen globally.
- Predictive capability is also in line with global trends – still in its infancy and requiring significant investment.
- Standardised measures are a foundation block for future analytics functions; but are not prevalent in the sample studied.
- Business centred/relevant insights are of most value. Not inward looking HR data at the function level. CIPD research with business leads confirms the need for greater focus on business relevant insights.
- Significant opportunity for the region to lead global trend for innovative analytics.



# Thank you for listening

Any questions?

