

HR Leaders Need Stronger Data Skills



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An old saying sums up the data skills of most HR professionals: “The shoemaker’s children go barefoot.”

In today’s tightening labor market, HR leaders must work relentlessly to develop and recruit people who advance digital transformation across their organizations. Yet most have struggled to advance their own digital competencies. This neglect has hindered their ability to leverage data into talent strategies that can help transform their businesses.

We base this claim about HR’s digital skills gap on the results of our latest global leadership survey. Co-produced by our three organizations, the survey gauged nearly 28,000 business leaders across industries about the state and trajectory of leadership. Among the findings: On average, HR leaders lag far behind other professionals in their ability to operate in a highly digital environment and use data to guide business decisions.

It comes as no surprise that this skills gap has spurred a credibility gap between HR professionals and their colleagues. Only 11% of business leaders trust HR to use data to anticipate and help them fill their talent needs. When we last fielded the same survey three years prior, 20% of business leaders felt that way – still a low number, but nearly twice what it is today.

Finding ways to improve HR's digital acumen and data skills can challenge even the most well-resourced companies. HR leaders can start by upskilling their teams in areas that impact two critical business outcomes: building bench strength and tying HR metrics to financial success. To achieve both, companies can support their HR leaders in taking these steps:

Forge internal partnerships. At most companies, other departments use data and technology in ways that HR could apply to their own work. For example, HR can work with marketing for guidance on search engine optimization (SEO), a skill that can help HR improve its recruitment efforts. They can also consider partnering with colleagues proficient in finance technology for guidance about blockchain, a technology capable of transforming how HR stores and verifies private employee data. Such internal collaborations may not only help HR attain new skills, but also help to foster a data-driven culture across the organization.

Map talent analytics to business outcomes. HR should learn how to tie its data about people to performance and business outcomes. This process must begin with gathering data about the skills, capabilities, and behaviors of the existing leaders and workforce, often done through assessments. For example, a hospital seeking to improve patient safety might look to HR to discover that the highest rates of patient safety are tied to nurse units where supervisors showed specific behaviors, such as demonstrating empathy. By collecting data on employee skills and experience and tying it to business outcomes, HR can highlight key areas of risk and

opportunity for the company.

40% greater likelihood of taking the desired course of action versus those who received non-visual presentations. As such, HR should learn how to create graphical presentations of data. HR needs to get more proficient with sophisticated software programs such as Power BI, Tableau, or R Studio, all of which give visual context to data.

Implement leadership planning models. Beyond using data to highlight current talent trends and gaps, HR should use it to fuel predictions about future talent needs, especially for leadership positions. HR professionals should employ leadership planning models to map a business's long-term strategic plan to the leaders it will need to implement that plan. Leadership planning models enable HR to create data-driven projections for the quantity of leaders needed, the skills they will require, and where they will be located. On an ongoing basis, these models can compare the leadership talent it has against what it needs. As such, HR can course-correct when necessary by revising or shifting its priorities among hiring, development, and performance-management systems.

Taking these four initial steps can yield big dividends. Our research shows that companies excelling in using data and analytics to drive their talent strategy are more than six times more likely to have a strong leadership bench. Moreover, those with the strongest digital leadership capabilities outperform their peers by 50% in a financial composite of earnings and revenue growth.

And when HR executives use their digital savviness to advance their companies, they often move up themselves as a result. We found that HR professionals who leverage advanced analytics are over six times more likely to have opportunities to climb the corporate ladder.

Today, unemployment stands at the lowest level in nearly five

decades. As the economy continues growing and Baby Boomers retire in droves, the labor market will further tighten and increase the pressure on HR. These demographic and economic dynamics will push HR to be better, faster, and smarter about how it finds and develops the talent their organizations will need to execute their business strategy. Investing in developing HR's data and technology skills should be a top priority if companies want to win the war for talent.

Executive Summary

Research from a new global leadership survey shows that, on average, HR leaders lag far behind other professionals in their ability to operate in a highly digital environment and use data to guide business decisions. Companies can begin to improve HR's digital acumen and data skills by tapping into internal knowledge in other departments. For example, HR can work with marketing for guidance on search engine optimization (SEO), a skill that can help HR improve its recruitment efforts. They can also consider partnering with colleagues proficient in finance technology for guidance about blockchain, a technology capable of transforming how HR stores and verifies private employee data. Such internal collaborations may not only help HR attain new skills, but also help to foster a data-driven culture across the organization. Investing in developing HR's data and technology skills should be a top priority if companies want to win the war for talent.