
Science White Paper

*SHL Talent Analytics*TM

Answering the critical questions about the potential of your people
and the effectiveness of your talent management processes

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Introduction

Welcome to the predictive talent analytics club – and you may already be a member. For those of you who use SHL assessments in the acquisition, onboarding, development and succession of your people, you are already in the analytics club and, more importantly, in the **predictive** analytics club.

How did you get to be a member? The very foundation for developing effective and defensible assessment solutions is that they predict an outcome in the workplace. For over thirty years, SHL has conducted hundreds of studies to establish the links between the talents of people and outcomes in the workplace so that, when a client requires an assessment solution, SHL can show how such a solution will impact on performance and drive the success that an organisation is looking for.

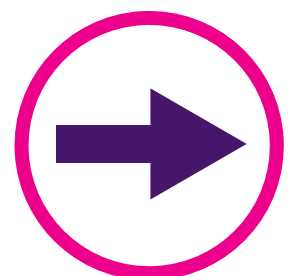
Let's take a case in point. Recently, we undertook an analytics study for a client in the cable industry in the US. They came to us with two questions: *how do we show the value we deliver to our business from the assessments we are using for front line retail manager and customer service agent, and how do we know whether our recruitment processes are giving us the talent that we need to drive our retail operations?*

To answer the first question and establish a framework for looking at the quality of this client's hires, we reviewed analytics studies for seven clients in the US and a total analytics sample of over 3,000 employees in retail management and customer service. The trends across those clients showed that employees in the upper quartile on our talent metrics for retail manager and customer service agent had shorter time to competence as compared to other employees (19% faster for the customer service role), incurred lower costs and generated higher revenues per employee (a weighted average of \$154k more revenue per year per manager and agent), and were seen as offering greater potential for progression in the business (in one case and for retail manager, 20 times more likely to be seen as having the potential for a more senior role).

These trends show that being in an upper quartile on an SHL talent metric such as fit to retail manager or to customer service agent does lead to better staff performance and a higher impact of people on business outcomes. Our client in the cable industry was satisfied that this upper quartile approach was useful and so they conducted their own analysis using this approach. They found that those people in their business in the SHL upper quartile for the customer service agent metric showed a difference in over \$300k more revenue per employee per year when compared to other employees, and a much higher retention rate to the end of the first year's employment (16% lower voluntary turnover).

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Now, at this point you may be wondering what the SHL talent metric is, and here's where SHL analytics can be seen as truly predictive. Across all the clients including our cable client, SHL had undertaken detailed analyzes of what behaviours drive effective performance for retail manager and customer service agent. Building on those analyzes, the assessment solutions deployed for retail manager and customer agent across these clients tapped into the talents of people that underpin those critical behaviours. The scores from those assessment solutions show who is most likely to acquire and demonstrate those critical behaviours and perform effectively in the role. This is the predictive link between the assessment solution and performance, and the SHL talent metric in this case is the fit between a person and the role. The analytics show that those in the upper quartile of scores on these assessment solutions outperform other employees, so knowing who your top talent are through the use of SHL talent metrics does make a significant difference to an organisation.

Let's return to the cable client and their second question: *how do we know whether our recruitment processes are giving us the talent that we need to drive our retail operations?* Building on the link between an SHL talent metric (in this case, fit to retail manager or customer service agent), answering this question also shows how SHL talent metrics speak to the effectiveness of a talent process such as recruitment. If higher SHL talent metrics predict higher organisational returns, then the greater the proportion of people attracted with higher scores on an SHL talent metric, the more effective that process is going to be in supporting an organisation in achieving its goals.

To answer the cable client's second question, we looked at the talent they had attracted over a year to the retail manager and customer agent roles. Using that upper quartile to define top talent for these roles, the analytics showed that this client had outperformed the labour market for their industry by 154% for the quality of talent attracted for front line manager (of those attracted to the retail manager role, 56% were in that upper quartile against the talent pool for North America), but were on par for the quality of talent attracted to the customer service agent role (actually, the proportion of customer service agent applicants attracted over that year and that were in the upper quartile range was just short of 25%). Simple headline – keep the process running for front line manager (maintain) and take the learning across from that to customer service agent as this is where the impact is likely to be greatest in driving revenues and margins in retail operations (take action).

Effective talent management is about making effective choices in where to invest time, effort and money in driving organisational outcomes. What's more, it is also about having the right people intelligence about how an organisation is performing internally (*i.e. what is it about people that drives the outcomes we want?*) and how it compares externally in the benchmark of talent it has (*i.e. how well are we competing for the talent we need against other organisations competing for that same talent?*). By tying together the causal links between the talents of people and job performance, by enabling a macro view of those talents and by providing a simple benchmark for the quality of talent they attract, SHL Talent Analytics™ helped that client to make a clear strategic and evidence-based choice as to where their organisation would see the pay off from investing in their talent management processes.

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So what's new with SHL Talent Analytics™?

The answer comes in three parts. The first part lies in the data that SHL collects on people and their talents which in turn enables us to provide a clear view of talent pools globally and how an organisation is competing in the acquisition and retention of top talent across its operations. With an SHL assessment delivered every second of everyday world wide, we can provide a clear picture of what top talent looks like across industries, geographies, by business function and by job level. So, a key part of what's new is that SHL is now providing organisations with the capability to use assessment data to take a strategic view of their people and their processes against their competitors across their operations and geographies.

The second part of the answer is an evolution in analytics capability to determine what actions to pursue to improve the effectiveness of talent management processes. Many organisations report on cost of hire and time to hire which are useful descriptive data in terms of the efficiency of talent acquisition processes. But, efficiency is not effectiveness. While a process might be efficient, it is not going to be effective if it does not deliver the right people. That's exactly what SHL Talent Analytics™ talks to.

The third part of the answer lies in the predictive analytics mentioned at the very start of this paper. The field of analytics has come a long way since its birth in the 1980s as organisations began to realise that data driven decisions led to better outcomes¹. Whereas the 1980s were characterised largely by descriptive analytics that talked to what happened, the 1990s and early 2000s saw the development of tools and dashboards that talked to questions of *why did it happen and what's happening now?* Today, analytics has moved to the more important question – *what will happen next?*

The example of the cable client shows that knowing how your people compare against your industry and geography will tell you whether you are likely to achieve the outcomes your organisation wants. It also tells you where to invest to improve the effectiveness of those processes in delivering and developing the right people to drive organisational outcomes.

Today, analytics has moved to the more important question – what will happen next?

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So what is SHL Talent Analytics™?

What SHL Talent Analytics™ provides is the people intelligence to answer questions such as:

Talent Acquisition

'Is my employment brand competitive and attracting the right candidates?'

'Which recruiting sources are delivering the best talent?'

'How does my quality of hire compare to my competitors?'

Talent Mobility

'Are my managerial and professional hires the future leaders of my business?'

'Are any of my teams likely to put my business at risk?'

'Do I have the right talent on board to strategically change the direction of our organisation?'

SHL Talent Analytics™ answers these questions through the largest database of people intelligence globally covering 37 industry sectors, 30 countries, 31 business functions and 5 job levels from executive to employee. The data can be cut to provide the specific benchmark populations that a client wants to compare themselves against. In our earlier cable company example, the client wanted to look at retail and customer agent roles within North America. A little later below, we will look at an international bank who chose to compare themselves to the banking industry globally – and these are just two examples of the scope within the SHL Talent Analytics™ database to choose the population that you want to be benchmarked against.

In addition to choosing benchmarking populations, organisations can choose from a number of scientifically validated benchmarks to interrogate critical talent issues and to drill into the data to take a deeper dive to gain the insight it needs. In developing these benchmarks, we have looked at the distributions of scores across 2.5 million assessments conducted between 2006 and 2010 across the industry sectors, countries, business functions and job levels mentioned above (these represent the data sets explored thus far and the range and size of this database will increase through the ongoing work to support SHL Talent Analytics™ and through the simple fact that this database will expand as SHL delivers an assessment every second of everyday worldwide).

SHL Talent Analytics™
answers these (talent)
questions through the
largest database of people
intelligence globally

The benchmarks have been calibrated globally for several reasons. One reason is that we now operate in a global economy in which labour is as mobile as organisations across geographies. We have also found that, in providing the facility to take a global, regional and local view of talent, using a global benchmark enables us to provide a clearer picture of the differences in talent pools by geography, whereas calibrating within geographies would mask these differences. A third reason is that taking a global view of talent enables populations to be compared by using the various filter variables available in SHL Talent Analytics™. For instance, these filters allow benchstrength views to be created by both industry sector and geography to show how, for example, the technology sector looks in Western Europe and Asia, and thereby enabling the differences to be more clearly identified.

So, taking a global view of talent reflects the dynamics of the economic and labour markets in which organisations operate. Selecting benchmark populations by geography, industry, business function and job level, the client can investigate any number of talent issues, knowing that the benchstrength views provided are consistent and will reflect true variations in talents across the populations they choose to benchmark against.

We will now explore these capabilities through short case studies that describe how organisations use SHL Talent Analytics™ data and benchmarks to answer their critical talent questions.

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Case Study: The case of an international bank

How effective and consistent are my talent acquisition processes?

In the first of our case studies, we will look at an international bank with investment and retail arms who wanted to answer the questions how competitive are we in hiring graduates with strong cognitive ability and how consistent are we in the ability levels of those we hire across our geographies, job levels and lines of business?

Many organisations such as this one use ability tests to pre-screen and select people for positions where analytical skills and innovation are critical requirements. The SHL Ability Benchmarks enable an organisation not only to identify the strength of ability they attract, hire and employ, but also how effective and consistent their talent processes are.

Cognitive ability is widely seen as a critical factor in the effective execution of many tasks that involve reasoning and analytical skills as well as being able to develop ideas from first principles^{2,3}. The three most commonly used ability tests for graduates (college hires in the US) and for managers and professionals are:

- **Verbal Reasoning Ability** and the potential to reason with written information to understand the key relationships and the most logical conclusions to draw from that information
- **Numerical Reasoning Ability** and the potential to work with numerical information in tabular and graphical form, identify the key relationships and the most logical conclusion to draw from that information
- **Inductive Reasoning Ability** and the potential to work with novel information and, from first principles, work out the relationships in that information to be able to identify the next steps to take or the most likely event in a sequence of events

Our research shows that Verbal Reasoning Ability predicts effective communication as well as problem solving where text information is a critical source of information for evaluating issues and problems; that Numerical Reasoning Ability predicts problem solving where numerical data is critical to evaluating issues and problems; and that Inductive Reasoning Ability predicts the ability to develop solutions from first principles and innovation.

These abilities have also been mapped to the SHL Universal Competency Framework (UCF) and the links between the three example abilities described above and the UCF are shown in the table below. For organisations using other assessments that can be mapped to the UCF, the ability benchmarks can be used alongside The SHL Competency Benchmark to gain a fuller understanding of the benchstrength of an organisation's people and processes. We will explore The SHL Competency Benchmark in a later case study below, and for more information on The SHL Competency Benchmark please see SHL Talent Analytics™: **The SHL Competency Benchmark**.

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Ability	UCF Great 8 Factor	Definition
Verbal reasoning	Interacting & Presenting	Builds positive relationships by communicating, networking and influencing effectively
	Analysing & Interpreting	Gets to the heart of complex issues and problems through clear analytical thinking and effective application of expertise
Numerical reasoning	Analysing & Interpreting	Gets to the heart of complex issues and problems through clear analytical thinking and effective application of expertise
Inductive reasoning	Creating & Conceptualising	Applies innovation and creativity to develop new solutions in the context of the organisation's wider strategy

The ability benchmarks use a simple five band framework to show the strength of potential in an external or internal talent pool. The bandings are generic and need to be interpreted in the context of the specific ability as well as the requirement for that ability to execute key tasks for a role or position in an organisation. For example, lower levels of ability relative to the global population might be suitable for certain jobs where the requirement is low but is still a necessary factor in effective performance. That said, the ability benchmarks do provide a straightforward way for organisations to take a macro view of a critical talent across their people and to build a clear picture of the benchstrength at all or specific levels within their organisation.

Ability benchmarks do provide a straightforward way for organisations to take a macro view of a critical talent across their people

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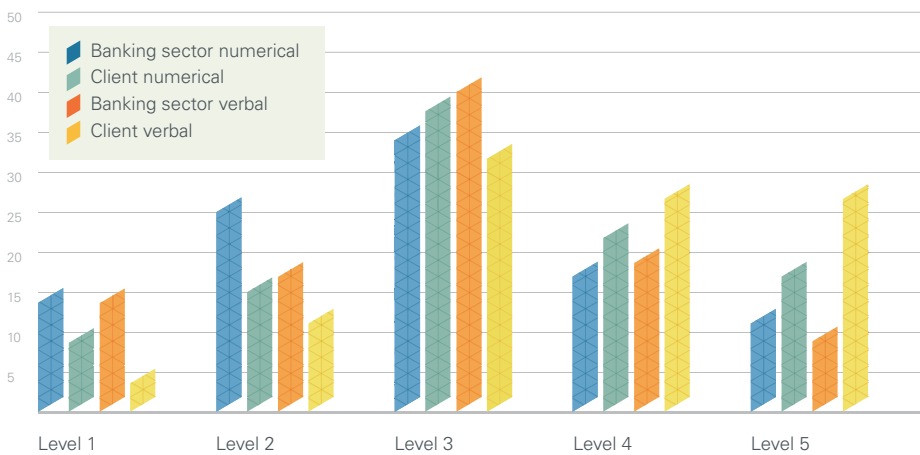
Further information on the ability benchmarks can be found in SHL Talent Analytics™: **The Ability Benchmarks**, and, for the sake of brevity in this paper, details will be kept to a description of the bandings and their interpretation as shown below.

Level	Definition
Level 1	More likely to be comfortable performing tasks where the requirement for this ability is low or where tasks requiring this ability are undertaken with supervision and support
Level 2	Likely to be able to perform tasks where lower levels of this ability are required and where some supervision and support is provided
Level 3	Suggests a reasonable fit to tasks requiring this ability but also the need for further development where higher levels of this ability are critical
Level 4	Suggests a good fit to tasks where higher levels of this ability are required
Level 5	Suggests a strong fit to tasks where high levels of this ability are required

Let's return to the case of our global bank. Since this client operates globally, the banking industry globally was chosen as the benchmark population to address their questions. The figures that follow show how they compare on the Verbal Reasoning and Numerical Reasoning Benchmarks⁴. In the first figure, you will see that overall they are outperforming the sector globally on both ability benchmarks and the answer to the first question is good news - this client is doing well in competing for graduate talent. Their overall **quality of hire** is strong.



Figure 1: Global Banking Client and overall performance against ability benchmarks for sector



Getting to the second question about how consistent this client is in acquiring strong talent shows the benefit of taking a deeper dive using the SHL benchmarks. Analysis showed high consistency by geography and job level. However, when the analysis compared lines of business, here variation and lower consistency were found. Two of their lines of business that exemplify this inconsistency are shown in the next figure which focuses on the numerical ability benchmark (the story was very similar for verbal reasoning ability but this has been excluded for the sake of brevity).

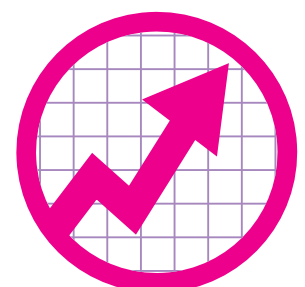
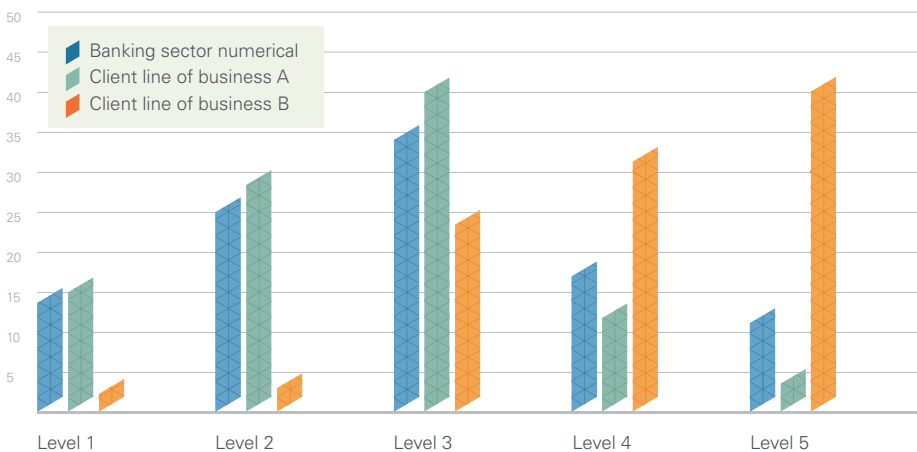


Figure 2: Global Banking Client and variations in benchstrength by line of business (numerical reasoning ability)



Clearly, Line of Business B is substantially outperforming the sector while Line of Business A is not. This may reflect differences in how attractive this client across different lines of business, and may reflect inconsistencies in attraction and recruitment processes and the standards applied to them. Either way, the analytics show the client where to focus their efforts in lifting the effectiveness of their talent attraction and acquisition across their business, as well as where to take deeper dives to address questions such as the competitiveness of packages and career opportunities to different professional groups that may be driving the variation shown in the next figure.

Much as with our cable client example earlier, this case study shows how the SHL benchmarks and benchmarking populations help to identify how competitive an organisation is in acquiring talent, where variation exists in talent processes and the focus that is then provided in where to invest to strengthen talent management for an organisation. As we will see later, SHL Talent Analytics™ can also help to identify where potential is in an organisation and what development needs to focus on to leverage that potential effectively.

The analytics show the client where to focus their efforts in lifting the effectiveness of their talent

Case Study: The case of a multinational technology company

How aligned is my talent acquisition process to the values and behaviours underpinning our new business strategy?

In the second of our case studies, we will look at a multinational technology company who is about to engage in a major strategic change in response to market challenges. This is an organisation that recognises that the talents that have served them well for over a decade are insufficient to meet the challenges they now face as a business.

This client's questions were addressed using the The SHL Competency Benchmark which builds on the Universal Competency Framework (UCF) and critical behaviours that drive effective performance. This model tells organisations how knowledge and skills will be used to execute tasks and the potential of people to engage others and gain their buy-in. While knowledge and skills are critical to effective performance, what we do and how we behave are seen by many organisations to be the most critical factors that drive performance in an ever changing organisational context.

As the political, economic, social and technological landscape changes, organisations want to know whether their people have the talent to adjust to that change and turn change into an opportunity for new products and services, and to develop new relationships with existing customers as well as acquire new customers. To do that, they need a view of the talent profile delivered by their talent processes so they can gauge whether those processes are producing the talent they need.

The SHL Competency Benchmark enables organisations to do just that through a view of what top talent looks like across eight key behavioural factors (the Great 8) and twenty behavioural dimensions linked to these factors. Let's take a brief look at the top level of the UCF and the benefits of the behaviours these eight factors drive for organisations.

Organisations want to know whether their people have the talent to adjust to that change

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Figure 3: The Universal Competency Framework (UCF) Great 8 and the benefits they drive for organisations

	Behaviours	Organisational benefits
Leading & Deciding	Takes control and initiates action by giving direction and taking responsibility	Clearer objectives and commitment to achieving those objectives
Supporting & Cooperating	Works effectively with individuals and teams, and provides a consistent role model for the organisations values	Greater collaboration and greater cohesion across employees, and stronger client perceptions that they are being listened to
Interacting & Presenting	Builds positive relationships by communicating, networking and influencing effectively	More effective communication and buy-in internally and externally to proposals and plans
Analysing & Interpreting	Gets to the heart of complex issues and problems through clear analytical thinking and effective application of expertise	More effective use and better understanding of data to drive strategy and decision making
Creating & Conceptualising	Applies innovation and creativity to develop new solutions in the context of the organisation's wider strategy	Ideas are translated into outcomes more effectively and with a clearer understanding of the wider context driving innovation
Organising & Executing	Promotes clear systems for the delivery of projects, products and services focused on quality and customer satisfaction	Stronger project and programme management with better quality in what is delivered and greater customer satisfaction
Adapting & Coping	Adapts and responds to change positively and effectively, and copes with setbacks	Greater likelihood that change initiatives are successful and that setbacks to achieving objectives are overcome
Enterprising & Performing	Achieves personal goals, and approaches tasks and opportunities with a view to commercial and financial factors	More consistent achievement of targets and KPIs associated with more efficient operations, revenues and margins



With this overview in mind (and more detail on the SHL Competency Benchmark is available in SHL Talent Analytics™: The SHL Competency Benchmark), let's now take a look at how this benchmark was applied to address the question put by the technology company. They are undertaking a major change in their approach to their markets, product development and engagement with their customer base. What that means is a substantial shift in values and key behaviours that they see will drive the achievement of the new business strategy. They run a number of assessment programmes and want to take a macro view of the data to get an overview of the talent they attract, acquire and employ to identify where they have benchstrength to succeed with the change, and where they need to invest effort in talent acquisition, their learning and development programmes as well as their succession management.

Such an undertaking as this faces two problems for a client: *how do we benchmark our talent and what do we know of the talent pool in our industry?* SHL Talent Analytics™ solves both problems by first organising the client's data in a form that presents a clear talent profile, and second by giving them a current view of what the benchstrength of an industry talent pool looks like. The figure that follows shows the talent profile for that technology company against the technology sector globally for managers, professionals and graduates. Top talent is defined globally as those scoring in the top quartile (top 25%) on each of the Great 8 (this definition of top talent is explained in SHL Talent Analytics™: The SHL Competency Benchmark). For the industry, you can see the proportions of people qualifying in the top talent range on each UCF Factor – and the client can also see how they stack up against that profile in terms of the proportions of their people who qualify as top talent.

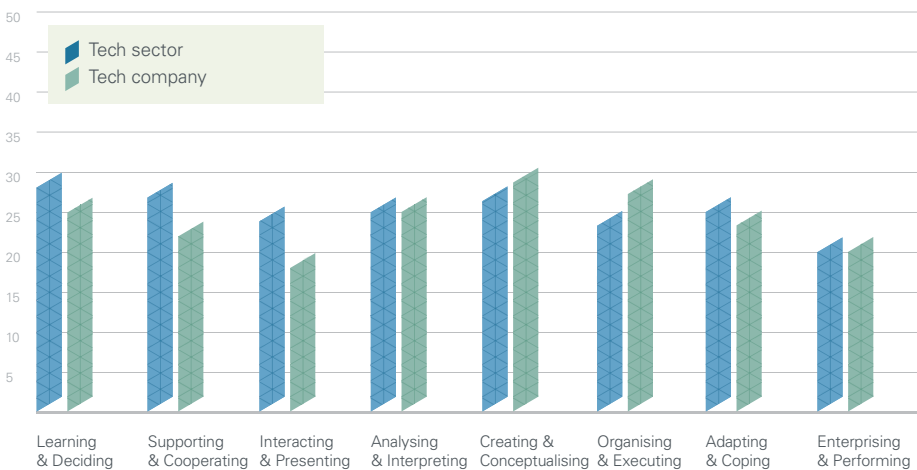
So, what do we see? First of all, SHL Talent Analytics™ takes the guess work out of industry talent pools as the global view of the technology industry shows benchstrength in Leading & Deciding and in Creating & Conceptualising but lack of benchstrength in Enterprising & Performing as just two examples from the industry view of talent (while the proportion of people in this sector exceed the upper quartile for the first two factors, the proportion is lower for the last factor). Second, we can see that the specific technology company outperforms the sector for Creating & Conceptualising and Organising & Executing, but underperforms the sector for Supporting & Cooperating and Interacting & Presenting.

So why should this technology company care? Well, a cornerstone of their change is to develop greater engagement with their customer base and, to achieve that, a key element of their internal talent management programmes is to foster greater engagement across their workforce, as well as reframe their reward and recognition around achievement which is where Enterprising & Performing will be a critical driver.

SHL Talent Analytics™ takes the guess work out of (understanding) industry talent pools



Figure 4: Using the SHL Competency Benchmark to identify benchstrength and areas to be addressed in talent acquisition



The client can see where they have the talent to achieve and where their talent gaps are

Immediately, the client can see where they have the talent to achieve and where their talent gaps are, and drilling down by line of business, job levels and geographies enables them to understand where to invest in terms of targeted learning and development, as well as the changes necessary in their performance management processes. The insights provided by SHL Talent Analytics™ also enables this client to focus on specific actions to align their talent attraction and acquisition with the new people strategy supporting their business strategy.

As mentioned above, this benchmark can be used alongside the ability benchmarks and, as we will see in our next case study, the leadership benchmark, to provide a rounded and detailed view of the benchstrength of talent of an organisation.

Case Study: The case of a utility company

How well do my potential leaders compare to senior managers and executives in my geography?

Let's now turn to the case of a major utility company that is reviewing its leadership talent in line with best practice for regular talent reviews. Here, we move away from talent acquisition and to questions of talent mobility. That company turned to SHL with two simple questions: *how do my people compare to the utility industry in the UK and how do they compare to senior managers and executives in the UK? Why address these questions?* First, they wanted an external view of their people to remove the subjectivity in their decision making, and second they wanted to get a clearer sense of how strong their pipeline was in comparison with the talent pool for their industry and the talent pool for the level of position they were planning succession for – a classic case of *do I develop and promote or do I need to think about hiring external candidates to fill any succession gaps I identify?*

The SHL Leadership Potential Benchmark builds on the SHL Leadership Model and was used for this client to benchmark their middle managers now coming to a point in their careers when they will be considered for a more senior appointment within this business. The SHL leadership model takes into account transactional competencies required to analyze, plan and execute tasks, projects and programmes, and transformational competencies required to develop new insights and strategies, communicate those insights and strategies effectively to others, and to set out clear goals and motivate others to achieve them.

In 2011⁵, Mercer commented that *"... we have found that companies often lack frameworks for identifying global leadership talent, have inadequate talent management practices and have hit-or-miss approaches to development"*. In 2009⁶, Bersin and Associates commented that *"In strong economic times, it is easier to ignore deficiencies in the succession management process but, in the current economic downturn, the need to identify and develop top talent for critical roles has never been more important ... As such, building benchstrength has never been more important."*

Clearly, knowing the benchstrength of leadership talent in an organisation has become a critical talent management objective, but not an easy one to address. Many organisations will have an internal view on leadership talent, but, in an ever global and competitive landscape, *will an internal view be enough to tell an organisation whether it has the leadership talent to deal with the dynamics of today's economic landscape, and if it has the leadership talent to compete effectively in an ever demanding context for organisational success and survival?*

SHL Talent Analytics™ addresses these questions by enabling organisations to look at the leadership potential of their people through a scientifically validated model⁷ and through the lens of external benchmarking against the world's leading organisations. The benchmark provides a simple indexing of leadership potential on a five point scale from Very Low through to Very High and can be used to make comparisons by industry sector, geography as well as job level and business function.

Knowing the benchstrength of leadership talent in an organisation has become a critical talent management objective, but not an easy one to address



The benchmark has been used by organisations to gain a proactive view on questions such as whether their graduate or college hire programmes are providing the calibre of employee who has the potential to staff future leadership positions, and whether their current cadre of middle and senior managers will provide the leadership they need to compete with other organisations as well as meet the needs of their organisations today and for the foreseeable future.

We will return to our utility company in just a moment, but before we do let's turn to one of the other key issues in identifying and developing leadership talent, and in effective succession management, namely identifying and actioning clear and critical development needs. In a 2011 paper⁸, the Corporate Executive Board (CEB) found that only 43%, that's around 1 in 2.5 of country and regional executives had confidence in their successors, while in Asia this dropped to 26% or around 1 in 4. Employees captured in this study showed that only 1 in 4, around 25%, had confidence that their employer had the leaders to succeed in the future.

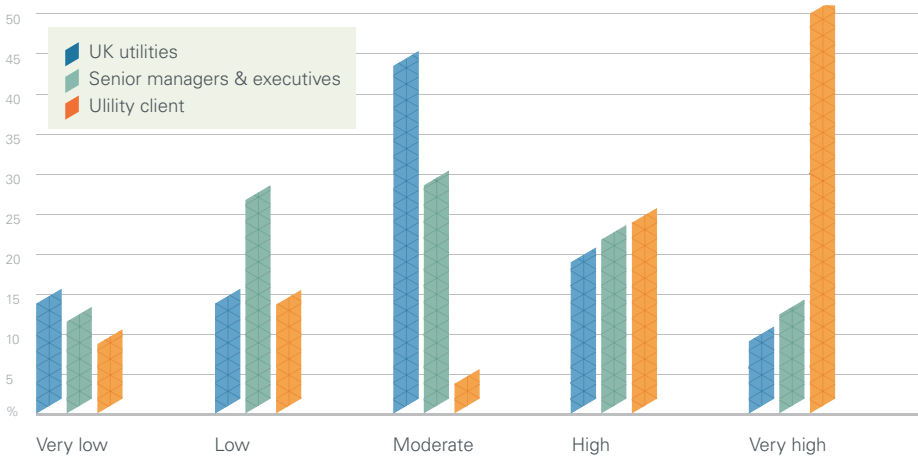
Of course, we would hope that, while anyone in a leadership position is not necessarily going to excel at everything, they will have a generally rounded and strong competency profile. Here, the SHL Leadership Benchmark not only helps to identify the benchstrength of an organisation's leadership pipeline, but, through links back to the SHL Competency Benchmark, SHL Talent Analytics™ enables a detailed drill down at all levels of leadership potential to identify where key development gaps are⁹.

The SHL Leadership Benchmark shows where populations are in terms of their trajectory to developing a rounded overall competency profile with strengths underpinning performance in both the transactional and transformational aspects of effective corporate leadership. In contrast to the other benchmarks in the SHL Talent Analytics™ suite of benchmarks, the leadership benchmark reflects the actual proportions of managers and professionals globally in terms of that trajectory. The benchmark therefore reflects both the distribution of talent across both the transactional and transformational dimensions of leadership and the subsequent lower likelihoods of benchstrength across both of these dimensions. It will not surprise the reader that the highest proportions are found for the lower levels of the benchmark with 8% (1 in 12.5) of the global population of managers and professionals showing Very High leadership potential.

The next figure shows what we were able to visualise for the utility client. Overall, the story is a good one in terms of the general benchstrength of their people with 73% (or around 3 in 4) of their candidates in the High or Very High of leadership potential. However, 27% or around 1 in 4 of their candidates fell into the Very Low to Moderate bands.

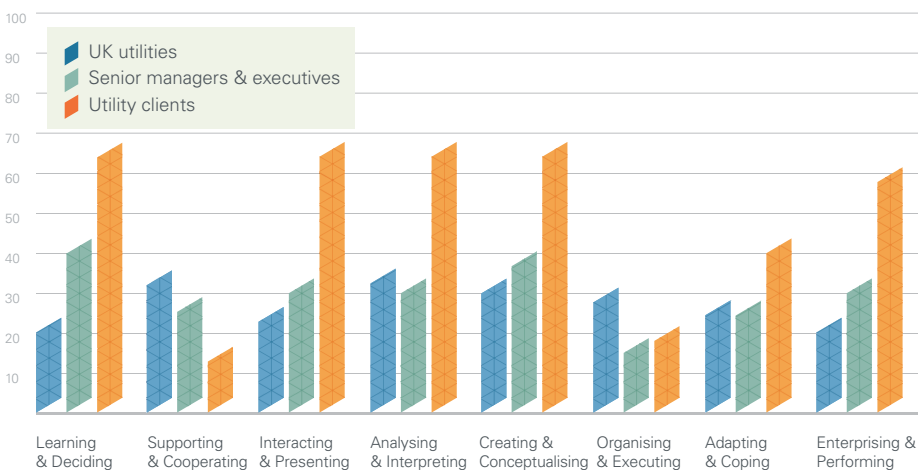
SHL Talent Analytics™
enables a detailed drill
down at all levels of
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Figure 5: Leadership potential by sector and geography



Further analysis of the data showed where benchstrength was stronger by line of business and functional role, and, as shown by the second figure below, linking through to The SHL Competency Benchmark identifies key areas to target coaching and development actions in Supporting & Cooperating and Organising & Executing, suggesting a need to focus on how programmes and projects are organised, how standards for quality and customer service are set and followed up, and how some of this leadership cohort engage with their staff and maintain positive engagement.

Figure 6: Competency benchstrength for succession cohort



Drilling down into the data showed that this company has several key competitive advantages in its leadership pipeline when compared to the industry and senior managers geographically. There is clear benchstrength in Leading & Deciding, Interacting & Presenting, Creating & Conceptualising, Adapting & Coping as well as Enterprising & Performing. This macro view provided a clear framework to facilitate individually tailored feedback for progression to more senior roles and greater focus and alignment of coaching and mentoring programmes.



This case study is an example of how The SHL Leadership Benchmark has been deployed in a talent mobility and succession context. The same benchmark can also be applied in the context of talent acquisition to identify how effective talent attraction and acquisition processes are in supplying a strong feed into an organisation's leadership pipeline. For more information on this benchmark see SHL Talent Analytics™: The SHL Leadership Benchmark.

Let's now look at how we are using SHL Talent Analytics™ to help clients understand the benchstrength of their people and the effectiveness of their talent processes.

The SHL Talent Analytics™ Insight Reports. In addition to the tools, benchmarks and databases that support the talent analytics capability described in the case studies shared in this paper, SHL has also developed a series of reports through which clients can address their analytics needs. These have been aligned to critical issues in the acquisition and mobility of talent:

- Improving Quality of Hire – Graduate/College provides access to a structured report evaluating the quality of applicant attracted, the consistency of recruitment channels as well as the impact of employer brand on the quality of applicants. It also identifies any leaks in the acquisition process such as the benchstrength of those that reach different stages in the process and the talent profile of those who accept or reject offers, as well as the benchstrength of those finally hired and their retention rates after one year. Projects can cover all of these issues and others or be more focused in terms of applicants attracted and those hired, with all of the benchmarks and benchmark views such as industry and geography as described in this document deployed as required by the client. More customised reports using specific client competencies or hiring criteria are also available with SHL working closely with the client to incorporate the relevant data to obtain the insights sought.
- Improving Quality of Hire – Manager & Professional provides access to the same intelligence as the previous report for more specialised and experienced hires and relevant benchmarks for these populations.
- Improving My Leadership Pipeline focuses on the benchstrength of people attracted, hired and employed by an organisation to give a full view of the health of an organisation's leadership pipeline and to inform succession planning as per the short case study shared in the paper. In addition to the SHL Leadership Potential and Competency Benchmarks, this report provides additional diagnostics to inform learning and development programmes as well as specific questions around the phasing of succession plans.
- Managing My People Risks enables talent management to play a full role in the risk management for an organisation by providing diagnostics on the fundamental source of risk – people. Drawing on extensive work for safety-critical organisations such as the oil and gas industry, aviation, manufacturing as well as transportation, SHL has developed a risk model that profiles an organisation against seven risk critical behaviours. This report gives an organisation the capability to identify where it's financial, operational and customer risks are highest as well as where they are at greatest risk from the dissatisfaction of and turnover among employees.

SHL has developed a risk model that profiles an organization against seven risk critical behaviours

So what's new with SHL Talent Analytics™?

By now, I hope you will agree quite a lot. As I hope the case studies have shown, organisations are making a difference by analysing the links between people, their qualities and their productivity and loyalty, and assessment data is proving invaluable in identifying those links and shaping people practices that deliver an effective talent plan aligned with business needs. And here's a key point to consider: **many analytics programmes involve considerable effort in collecting and capturing data.** If you are already using SHL assessments, you already have the critical data to answer the critical talent questions and to build the evidence you need to answer those questions or indeed challenge the opinions brought to you by your business leaders.

In an article published in Chief Learning Officer in 2005¹⁰, Snipes commented that: *"most organisations are actively focused on identifying and cultivating those employees with the greatest potential to grow into business-critical leadership roles. Unfortunately, surprisingly few organisations are doing this effectively [while] companies that identify and develop high-potential employees show dramatic shareholder returns. According to a recent Hewitt Associates study surveying large U.S. companies, only a bit more than half consistently use a formal approach to identifying high-potentials, yet those that do perform in the 75th percentile or higher for total shareholder return (TSR)."*

Today, one could add that those organisations that drive their talent management processes and build their talent plans on clear evidence and analytics are the ones that will reap the rewards mentioned by Snipes in the more turbulent times we face today. Indeed, just as organisations place more and more emphasis on analytics to drive their organisational strategy and their day-to-day operations (in the era of big data¹¹), so those in HR and talent management will be asked for the talent analytics that show whether the talent plan is delivering the people the organisation needs, and what needs to be done to maintain the future health of the organisation and the likelihood of achieving its business strategy and objectives.

In 2011¹², PwC laid out a critical challenge to HR: *"The talent crisis is no longer a problem of the future. It is here and now and is threatening business growth and economic prosperity ... CEOs need to consider the future of the HR function – many HR teams are failing to deliver the strategic thinking needed to drive growth. We believe a rethink of this function is overdue in many businesses. How HR responds will determine whether the organisation thrives (or even survives) in the next phase of global economic development and shift."*

We believe that SHL Talent Analytics™ offers the data, the tools and the insights for the HR function to respond to this challenge.

If you are already using SHL assessments, you already have the data to answer the critical talent questions

Author Bio

Eugene Burke is Chief Science and Analytics Officer for SHL Group, the largest talent assessment and solutions company worldwide. In addition to leading SHL's analytics linking people intelligence to organisational outcomes, Eugene consults with private and public sector organisations across Asia, Europe and North America. He is a regular contributor to scientific, talent and trade events and has published several articles and book chapters on assessment design and technology, addressing talent challenges as well as identifying and mitigating the people factors in safety and organisational risk.

References

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2. The largest statistical and historical review of assessment methods published to date showed cognitive ability to be the most consistent predictor of workplace performance. The details of that study can be found in Schmidt, F. L. & Hunter, J. E. (1998). The validity and utility of selection methods in personnel psychology: Practical and theoretical implications of 85 years of research findings. *Psychological Bulletin*, 124, 262-274.
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4. This client does not use inductive reasoning at the pre-screening stage. Many other banking clients do use inductive reasoning specifically to round out their assessment of cognitive ability and to ensure that innovation is captured in their assessment processes.
5. *New Insights on Global Leadership Development*, Mercer, 2011.
6. *High Impact Succession Management*, Bersin and Associates, 2009.
7. For more details of the scientific evidence supporting SHL's Leadership Model, see Bartram, D. (2002). *The SHL Corporate Leadership Model*. Thames Ditton, UK: SHL Group Ltd.
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12. 14th. Annual Global CEO Review, PwC, 2011.

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