



## The Power Behind SHL Talent Analytics

Sherry Fox - 2/8/2012 10:24:00 AM

You just have to google “analytics software companies” and you can see the abundance of *business intelligence* (BI) solutions or BI-infused solutions on the market. The last few years have witnessed a growing trend in use of analytics across all business functions and many business areas, such as customer service, marketing, and operations—and now in *human resources* (HR).

Increasing demands on HR for more accountability (as in other functional business areas) have brought analytics to the forefront of HR activities (often referred to today as human capital analytics or talent analytics). Typical HR systems, however, are often not capable of analyzing the complexity inherent in employee and leadership behaviors, workforce capabilities and numbers, and relevant HR processes. In addition, these systems usually examine only past behavior, instead of combining the findings of both past behaviors and current and future trends.

Many organizations today lack the insight to evaluate the effectiveness of their talent management programs, relative to their competitors' or to those specific to their industry, let alone take measures for improving them. SHL has built its latest offering around this very idea—providing evidence-based and scientifically researched guidance to its clients.

### SHL's Beginnings

Headquartered in London, UK, with offices throughout the Americas, Europe, the Middle East, Africa, Asia, Australia, and New Zealand, SHL has been in the “people intelligence” business since 1977. In fact, its tagline is: “*People intelligence, Business Results*”—which represents its shift from viewing HR as a mere administrative function, to a strategic process in which people and business results are directly linked.

With a local presence in more than 50 countries, and in more than 30 languages, SHL supports organizations worldwide in the selection, performance management, and development of people at all levels and across all industry sectors. It can satisfy the requirements of Global Fortune 500 companies as well as the smaller businesses. Some of its clients include companies listed under the Financial Times and the London Stock Exchange (FTSE) and the Australian Securities Exchange (ASX). In fact, SHL's client base includes 80 percent of the FTSE 100.

SHL got its start originally in the area of assessment science. It pioneered the first randomized and verifiable cognitive ability test, as well as some of the first animated simulation assessments—among other innovations. As such, it has accumulated over 30 years of people intelligence data. Its global assessment practice has allowed it to help companies support decisions in recruitment to succession planning—and everything in between.

In January 2011, SHL merged with PreVisor (a company offering demand employment assessments and talent management solutions) in hopes of becoming a global talent management “tour de force.” Originally called SHLPreVisor after the merger, in September 2011, the company announced that it would rebrand its operations and return to the original SHL banner. The combined company (to date) has delivered more than 25 million assessments annually in over 150 countries.

SHL is not new to the benefits of mergers and partnerships. In fact, it has been said that the company partners with more HR and talent management systems vendors than any other assessment provider. This is because it can easily and seamlessly integrate its assessment portfolio into any recruitment, applicant tracking, or talent management system.

To date, SHL has deployed more than 10,000 stand-alone and integrated solutions offering a variety of clients its talent acquisition and talent mobility tools—from pre-hire solutions aiding in volume recruiting, college hiring and leadership selection, to post-hire solutions spanning succession planning, corporate restructuring, talent development, and team building.

In addition, SHL has a centralized contact center that supports hundreds of thousands of global customer inquiries annually 24/7. SHL works with companies in most industries, including retail, health care, transportation, financial services, telecommunications, hospitality, and consumer goods.

### SHL Talent Analytics™: Product Strategy and Trajectory

SHL has 30-plus years of accumulating people intelligence data. In September 2011, SHL unveiled its latest offering in the

talent assessments space, with **Talent Analytics**. With the launch of this product, SHL aims to help organizations not only analyze their own talent data, but also look at that same data in the context of the millions of external data points that SHL has collected over the last 30 years. It currently has more than 80 million data points of information, with roughly 2 million new data points added each month.

Talent Analytics takes into account the overall business strategy of the organization and yields results by measuring two core areas:

- **Performance**—past measures (e.g., performance metrics, track record)
- **Potential**—lead measures (e.g., motive, personality, values, cognition)

### Fact-based Evidence

As a company, how can you be sure that your best talent is as good as the best in the market? Should you promote your top performers or hire from outside your organization? Is your HR department delivering measurable results? How effective are your recruiters in acquiring the talent you need? These are some of the questions hiring managers, HR executives, and senior executives are often asked.

What sets SHL Talent Analytics apart from its competition is that it's changing the way organizations are thinking about their data. For example, instead of *thinking* that the company's brand identity attracts the highest quality staff, or *believing* that employees are performing to their fullest potential, you will now have the quantifiable evidence to prove these points. The powerful talent analytics behind this product allows organizations to look into people's ability and potential to perform, which can ultimately be linked directly to the organization's business outcomes. In order words, placing the right people in the right positions based on past performance and current potential and behaviors will help improve people's performance (and productivity), and lead to a bigger bottom line for the company. In essence, SHL is shifting the focus of predictive analytics from the individual to the entire organization.

SHL Talent Analytics database comprises competencies, leadership potential data, and cognitive ability benchmarks. Having these invaluable data points facilitates benchmarking internal talent against the best candidates outside of the organization and helps address the issues that are important to HR departments and business leaders (figure 1).

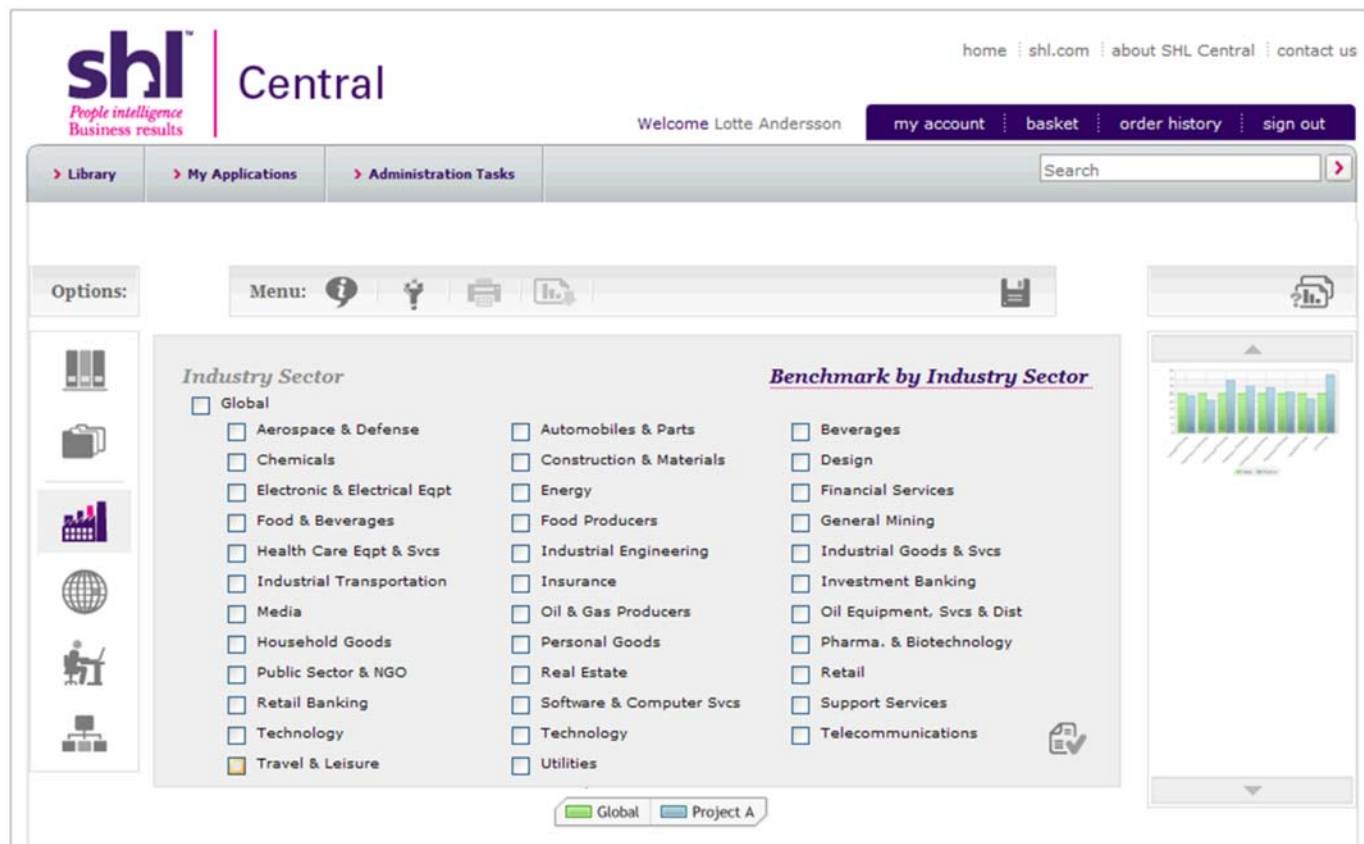
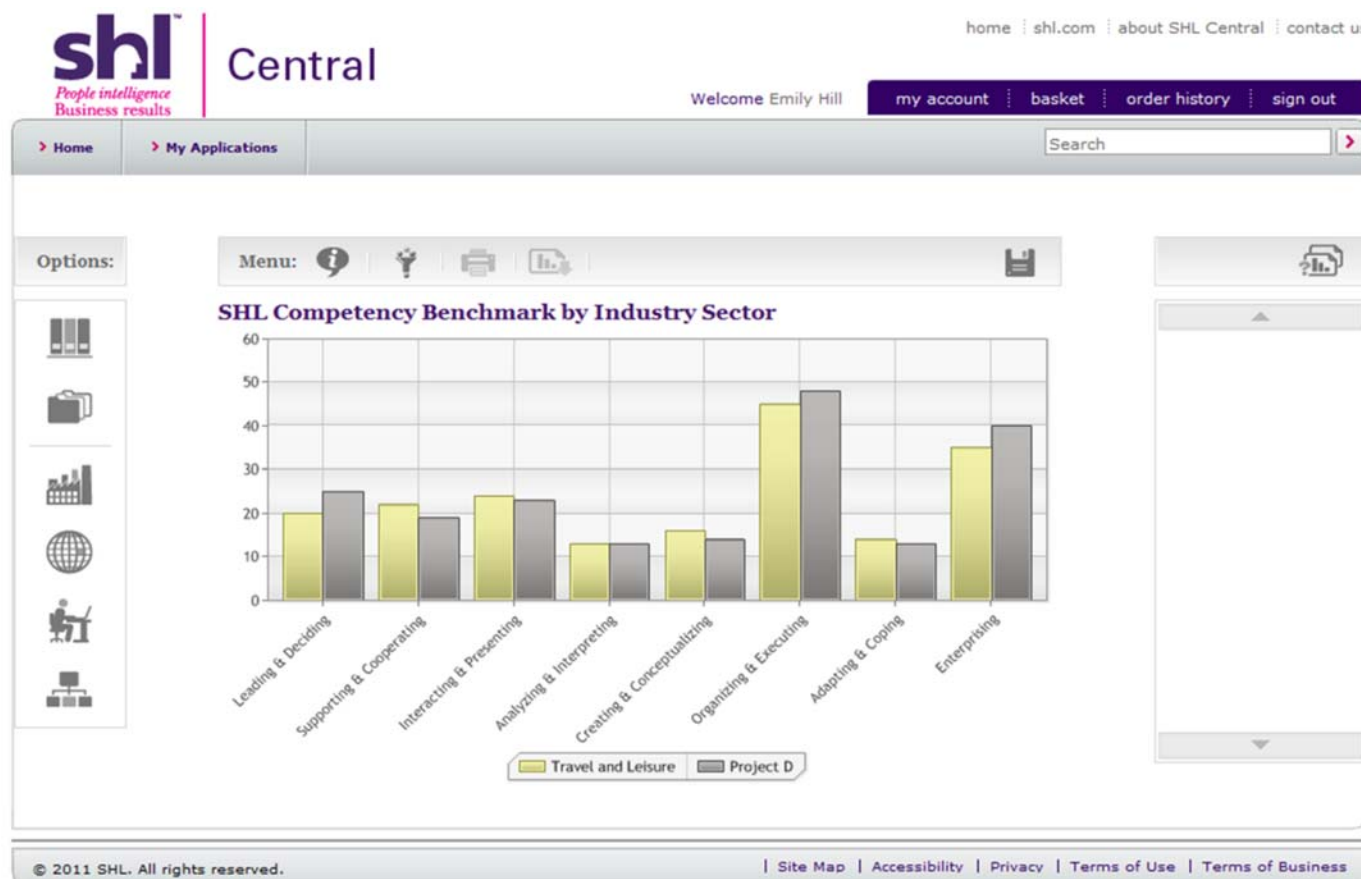


Figure 1. SHL Menu for Setting Benchmarks by Industry Sector

SHL Talent Analytics helps organizations determine people intelligence benchmarks by region, vertical, horizontal, employee life cycle, and more. For example, users could easily identify the benchmark of how well an individual does in "interacting and presenting" by comparing it to historical assessment data. This allows them to see if the current candidate they are considering

is presenting within an acceptable range based on their assessment scores (figure 2).



**Figure 2. SHL Results of a Competency Benchmark by Industry Sector**

Benchmarking requires collecting a lot of data, and as SHL has already collected much of this data, its clients can quickly focus on the task at hand—using the metrics to tell them what a good candidate looks like. Clients can drill down into the specific talent data and benchmark their workforce by industry, job level, or job function.

Additionally, organizations can gain key insights into the quality of talent they attract and hire, as well as the leadership potential and behavioral risks of key populations and talent pipelines (e.g., by industry—see figure 3), which can lead to significant performance gains across the company.

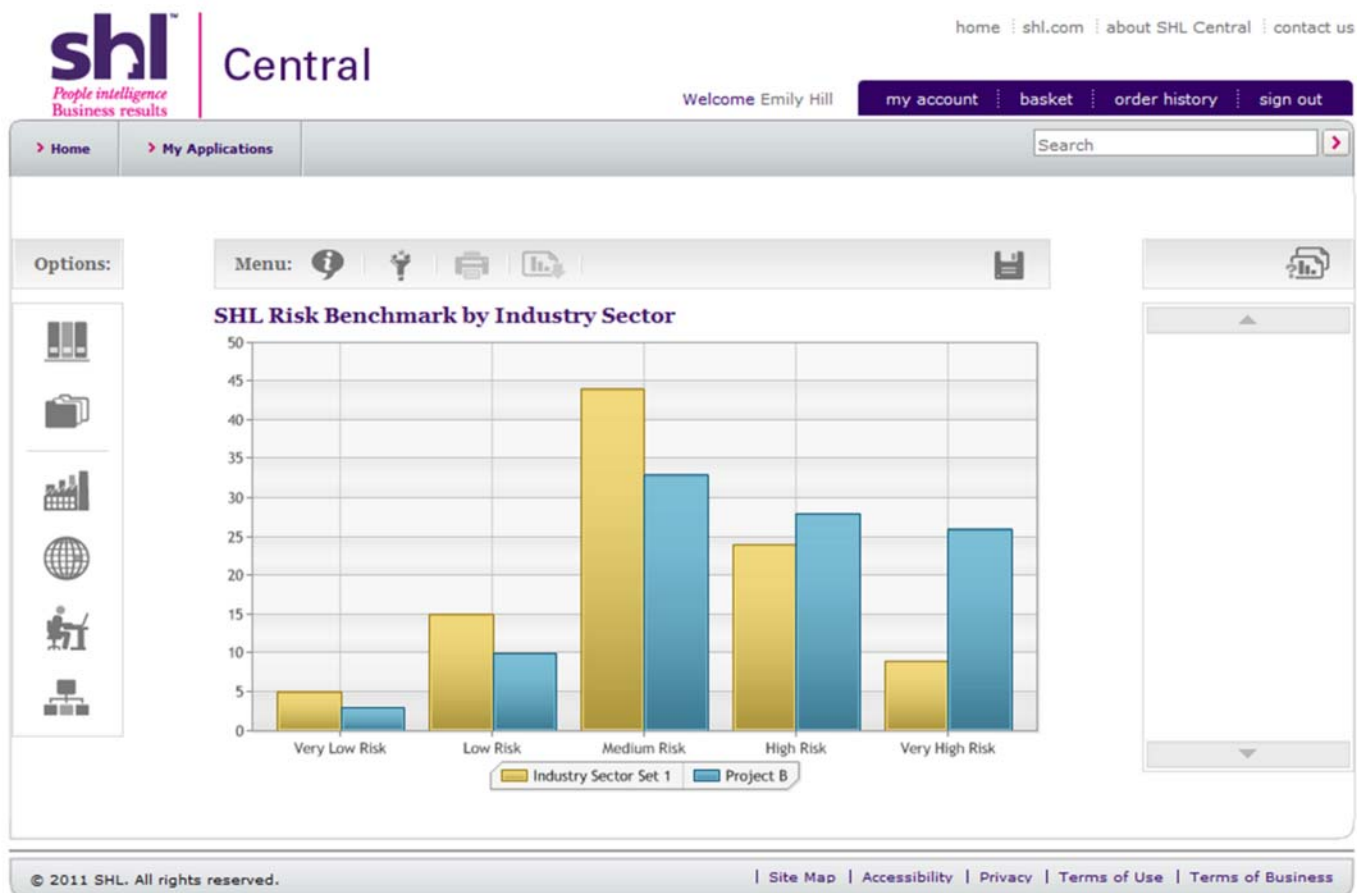


Figure 3. SHL Results of a Risk Benchmark by Industry Sector

### Product Strengths

SHL Talent Analytics was designed to help companies make better predictions on performance, as well as gain a deeper understanding of the organization's ability to attract the talent it needs to support its business strategy. By using the data captured from more than 30 years of performance assessments, and by using this data as a benchmark, organizations can begin to see patterns emerge. Through this assessment data, organizations can uncover key insights about the type of talent they attract, their performance, and their future potential within the company.

This latest SHL offering looks to evolve talent assessment into an even more powerful tool that can enhance business performance and manage talent risk.

SHL Talent Analytics provides a number of benefits and helps support organizations in

- providing actionable competitive data for improving talent acquisition,
- providing comparative data on the potential of talent in similar industries or geographical locations,
- evaluating talent gaps,
- understanding people's effectiveness; not just their efficiency, and
- delivering a new dimension to corporate benchmarking.

A typical assessment tests a variety of parameters, including a person's numerical reasoning, business aptitude, and inductive and verbal reasoning—among other things. SHL covers more than 20 types of abilities the average person possesses. Over the 34 years that SHL has been in existence, it has clocked more than 80 million assessments. But the nature of the tests and the use of technology have changed significantly over the years.

SHL certainly has an advantage over most of its competitors in the assessments field. BI, talent management, and other traditional talent solutions have been unable to provide businesses with practical talent information to help executives and teams understand (and anticipate) their talent's impact on current business strategies—SHL Talent Analytics can.

While SHL typically competes with other vendors in the employee assessments area, including those that offer recruitment, staffing, applicant tracking, behavioral assessments, etc., it does not compete with BI vendors. Why? In my opinion, it's the years of expertise and gathering of invaluable "people data" that puts SHL in an entirely different class of analytics.

With the merger of SHL and PreVisor, SHL now has the ability to reach a wider audience with its Talent Analytics offering.

### Talent Analytics: Real-world Scenario

SHL Talent Analytics reportedly helped [Time Warner Cable](#) (one of the largest cable companies in the US), identify the impact of their employment branding efforts, as presented at HR Tech this past October. How did SHL accomplish this? By diving into its vast database of candidates hired into similar roles in the same industry and the same region (North America), and applying that data to frontline managers in their call centers and customer service agents who answer phone queries.

Time Warner Cable determined that its employment brand was attracting more than double (124 percent) the number of top quartile frontline managers as compared to the rest of its industry. The company also learned that it was attracting an equal number of top quartile candidates for its customer service agent positions as compared to the rest of the industry, and since its was doing so well with frontline managers, the company now wants to do the same for its agents. Top quartile managers and agents now generate considerably more revenue and are much more likely to stay with the company.

### The Competition

While there are plenty of BI vendors and HR and talent management software solutions on the market, not all provide the assessment intelligence data that organizations need to make intelligent decisions about their talent initiatives. Here are some vendors (SHL's competitors included) that I believe have strong talent analytics offerings:

- **Peoplefluent**—A wholly-owned subsidiary of Peoplefluent, Acquire provides companies with a range of talent expertise, from organizational charting and analytics to workforce planning and data integrity.
- **SuccessFactors**—Recently acquired by SAP, the company provides Workforce Analytics to help organizations understand the type of metrics that matter to the business and how they're doing (performance-wise), as well as identify and resolve issues.
- **Taleo**—Taleo Analytics Enterprise Edition provides organizations with talent and analytics capabilities to help optimize the workforce and understand the business impact of hiring initiatives.

### Conclusion

Very few of today's companies are strategic about what they measure—and are often unable to leverage talent analytics to make strategic people decisions or link them to business performance. And although many of today's talent analytics solutions cover the whole employee life cycle, from hire to retire, they do not offer ways to manipulate specific data to derive individual and company-wide performance improvements.

As the area of talent analytics grows, companies are beginning to see the benefits that such analytics can yield in the overall success of the business. Successful companies know that to fully understand which talent activities work and which don't, they will need to include some type of analytics tools or software into their existing talent management or HR solutions. SHL Talent Analytics is one such solution.