HR Metrics & Analytics
MSB21T2001

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Module 6
HR ANALYTICS FOR FUTURE

- **Basics of HR analytics in future**

- **Details of HR future**

- **Generic future HR skill sets and knowledge**

- **Ethical issues in HR analytics**

- **Empowerment of human resources with HR analytics**

Session Objectives

- Technology-enabled HR decision-making

- HR analytics -integrated with strategic-level business analytics

- Human resources -business function

- Identify five forces which may change the future of HR functions

Recap

- HR measurements can be done with metrics, analytics and predictive analytics by using big data.

- Understanding the process of using these requires specialized skills and knowledge on various statistical tools for developing suitable algorithm.

- To develop predictive models for HR decisions, right at the beginning, we critically study the data volume.

- Predictive analytics can be used as a critical HR decision-making tool duly diagnosing the underlying problems.

- To develop a predictive model, it is important to select the appropriate predictor variables.

- This requires HR managers to understand which predictor variables can have potential effect on specific HR issues.

- The success of HR analytics and predictive modelling of HR decisions largely depends on the use of statistical tools combining HR and business data. Relating HR with business data can churn out information on customer satisfaction, market share trend and nature of products sold, e.g., premium products, mass products and so on.

- Predictive analytics extract information from raw data and make use of the same to predict the future pattern of behaviour or trends for getting better insights into HR decision-making.
- Broadly, predictive analytics tools are divided into regression techniques and machine learning.

Basics of HR analytics in future

- Future HR managers will be equally thorough with core business operations, will make use of data and analytics for business-aligned HR decisions and will manage human resources as a more specialized function with analytics.

- Future HR functions will require in-depth knowledge in data analysis. Technology will be an important enabler for future HR functions.

- Technology-enabled HR decision-making would be evident in all spheres of HR functions.

- With technology support, human resources will be more matured to drive business outcomes of organizations.

- Social media also will influence the way human resources attracts, hires, engages and retains talent in organizations.

- This would require human resources to focus on employer branding, collaborating with the marketing function, so that in social media organizations become compelling news with all positive manifestation.

Basics of HR analytics in future

- Future HR analytics will not limit its utilization within HR department; rather, it would be integrated with strategic-level business analytics.

- Obviously, in future human resources will also become a business function.

- This could make HR analytics more technology enabled in future and would require specialized skill sets.

- It is apprehended unless future generations of HR managers are more equipped with the power of data analysis, spread of data being expanding day by day, encompassing social media and various other external data sources; apart from organizationwide data sets, companies may require to outsource the HR analytics function (Inostix, 2015).

- Obviously, this will be a great future challenge for human resources. Challenge will be not only to identify proper vendor but also to ensure data security to the organization

Examples ….

- Globally, we have examples of many organizations, such as

  1. Google,

  2. Wells Fargo,

  3. Xerox,

  4. 3M,

  5. Ericsson and so on,

  that could benefit from HR analytics.

- Some of these known benefits are Xerox's lowering of attrition for effective hiring through HR analytics, 3M's productivity improvement through scientific succession management, Wells Fargo's achievement of high employee engagement and enhanced performance and so on.

Five Forces driving change

- Boudreau (2015) could identify five forces which may change the future of HR functions.

These are exponential

1. Technology change,

2. Social and organizational reconfiguration,

3. Truly connected world,

4. All -inclusive global talent market, and

5. Human and machine collaboration.

Five Forces driving change

- All these forces will bring changes in HR functions, requiring more evidence-based HR decision-making using HR analytics and predictive decision models.

- For example, exponential technology change would require successful engagement of the workers with automation. Social and organizational reconfiguration will influence talent sourcing and employee engagement processes.

- So also, a truly connected world and all-inclusive global talent market would have effect on the talent management function.

- Finally, human and machine collaboration will enhance the use of analytics, algorithms, big data for decision-making and so on.

Future HR managers

- Future HR managers need-thorough with core business operations, use of data and analytics for business-aligned HR decisions and manage human resources as a more specialized function with analytics.
- Future HR functions will require in-depth knowledge in data analysis.
- Technology -an important enabler for future HR functions. Technology-enabled HR decision-making would be evident in all spheres of HR functions. With technology support, human resources will be more matured to drive business outcomes of organizations.
- Social media also will influence the way human resources attracts, hires, engages and retains talent in organizations.
- This would require human resources to focus on employer branding, collaborating with the marketing function, so that in social media organizations become compelling news with all positive manifestation.

UNDERSTANDING FUTURE HUMAN RESOURCES

- In future, HR analytics can substantially do many HR jobs, thus relieving HR managers from drudgeries of lengthy work processes.
- For example, in future, HR analytics can facilitate employees' performance evaluations more holistically, encapsulating apparently extraneous and exogenous data.
- Another example is the power of HR analytics to match manpower scheduling based on demand, so as to ensure the availability of right manpower at times of need.
- This is particularly important in retail and hospitality industries where revenue models encapsulate optimum deployment of manpower.
- All these would be substantial time-saver, thus leaving ample time for HR managers to focus on employee development and many other strategic and business functions.
- With the increased spread of digital work environment, HR managers in future are likely to face the challenge of acute talent attrition, and in the process, talent attraction, development and retention would become more challenging jobs, which itself may substantially pre-occupy them.
- They need to address talent attrition issues engaging employees, and also with early signals, they plan for suitable intervention

UNDERSTANDING FUTURE HUMAN RESOURCES

- Technology-enabled human resources will be able to answer our age-old questions such as why top talent will work for the company, what would be the future experience of customers with our employees, what can contribute to employees' motivation, how can an organization better relate to employees' previous experience with their job success and so on.

- The social behaviour of employees will be the determinant for their workplace behaviour and can exert influence on their ethical values, confidentiality, information sharing and so on.

- All these can help in the better understanding of organizational dynamics and can also enable human resources to make the work more satisfying to employees.

- Automation of HR jobs for advanced analytics, on the one hand, will make future jobs more talent driven, and on the other, it will make HR tasks more personal, facilitating collaboration, showing concern for people, championing for changes and so on.

UNDERSTANDING FUTURE HUMAN RESOURCES

- HR analytics will gradually penetrate the entire organizational structure and will provide new insights into competitive advantage making use of data.

- With data-driven informed decision-making in all critical areas of human resources such as recruitment and selection, performance management and so on, future human resources will have direct impact on business growth and the bottom line.

- With built-in cognitive capabilities, HR analytics solutions increasingly become more user-friendly and will not require specialized knowledge, training or expertise to make the HR decision-making process data driven.

- A data-driven approach to HRM will gradually expand to entire HR functions, and it would become a language for human resources and the other top managerial functionaries of the organization.

UNDERSTANDING FUTURE HUMAN RESOURCES

- HR functions today are no longer engaged in doing traditional soft HR functions but in helping organizations to gain sustainable competitive advantages.

- Obviously, this requires a thorough understanding of the impact of everything they do in the business and strategy context, and legitimize their role as a strategic business partner.

- With HR analytics, future HR functions will witness growth opportunities.

- Some of the future changes predicted by experts indicate that routine HR jobs will decrease and companies will go for more outsourcing of HR functions.

- With new technology, HR functions will be more inclusive and participative, and will become a business process. With self-service computer systems, employees across all functions will do their part of data entry, thus rendering a large chunk of HR jobs redundant.

- Such redundancy would be more evident at entry-level HR jobs, and also in routine or transactional HR tasks, as this will be outsourced.

- Contrarily, some HR tasks like compensation and benefits will demand more expertise from future HR professionals, as this function will become more complex with new employment-related regulations.

UNDERSTANDING FUTURE HUMAN RESOURCES

- We can understand such future trend analyzing people operations team of Google, the company known for its extensive use of people analytics in all HR decisions. People operations team of Google require the following types of employees:
  - Staffing (with focus on talent attraction and recruitment)
  - Analyst (to support growth and management strategies)
  - Programme manager
  - HR business partner
  - Strategy and operations
  - Learning and development
  - Administrative support

UNDERSTANDING FUTURE HUMAN RESOURCES

- Similarly, future HR tasks would demand more strategic thinking, as human resources will increasingly become a strategic business partner.

- Here also, HR analytics and technology-enabled HR process could make this possible.

- Human resources can enhance strategic business value to an organization only when HR managers build their future capabilities to project the future trend based on the understanding of the current business situation.

- Obviously, this requires strategic planning, which can only rest on in-house HR capabilities (as this cannot be outsourced). Such strategic focus may even create new job opportunities in future for human resources, like HR business partners.

- Future HR managers' expertise would require not only holistic understanding of human resources but also a thorough understanding of business, operations and strategy, more focus on HR specialist role. Quantum jump in using big data and analytics in human resources will also exert influence on future HR tasks, such as management of remote workforces, talent attraction with organizational brand building, social networking and so on.

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In case, you find any difficulty in understanding the concepts of lecture, please feel free to contact.

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Thanks