

The logo of Galgotias University is a circular emblem with three curved, overlapping bands in shades of yellow, blue, and red, creating a sense of motion or a stylized 'G'.

HR Metrics & Analytics
MSB21T2001

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Session Objectives

- Ethical Issues in HR Analytics
- HR Feel More Empowered with HR Analytics

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Recap

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

HR analytics and technology-enabled HR processes could make this possible.

Some common skills essentially required for future HR managers are

- Statistics ,
- Programming ,
- Business and HR management and
- Data visualization.

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Concept discussion Ethical Issues in HR Analytics

- HR functions by nature require a lot of confidential information, which employees provide to the organization.
- These are personal to the employees, even though organizations are custodians. In terms of employment contract with the employees, organizations make use of employees' information for managing the business.
- For HR analytics, employees' data are used for modelling the HR decision-making process extensively and even at times for violating the ethical norms.
- While the best practice is to take employees' consent for making use of their personal data and information for decisionmaking, operationally, it may not be always feasible.
- Technology-enabled HR processes require storing of employees' data about which employees may not be aware. Such data even at times go beyond employees' work spheres, like data from employees' social media interaction.
- Even data from employees' work spheres also may include some typical behavioural inputs, such as their food choice in staff canteen, their preference for beverages and so on.
- These require organizations to draw a line between ethical and unethical use of employees' data that are privy to them.

Ethical Issues in HR Analytics

- Often analysing employees' data, which may be privy to them, help organizations to get deep insights into future HR decision-making.
- For example, relating employees' food choice in the canteen to their performance, organizations can come out with ideal meal plan. But again this could be a critical issue of ethics.
- Unlike survey, where employees' reserve the right to respond to their own fashion and rights, direct and indirect data of employees are collected without their knowledge.
- This is often construed as managerial prerogative.
- Good practice, however, calls for communicating the employees' organizational intention to make use of their information for modelling future HR decisions, so as to ensure both people and organizations deliver their best in achieving business goals.
- Organizations at times also face security challenges when HR analytics support is outsourced. Here, it is very important to ensure data security with clear ethical guidelines.

Ethical Issues in HR Analytics

- Issues such as stereotyping, prejudice and discrimination are a critical ethical concern for employees' data. Although organization-wise ethical standards in using employees' data or HR analytics widely varies, CIPD, UK (2012) could come out with some specific guidelines in this respect. These ethical guidelines have been given in general for HR professionals, rather than specifically for HR analysts; but adhering to these guidelines can ensure compliance with the ethical issues pertaining to the use of employees' data also. CIPD emphasizes the need to
 - Establish , maintain and develop business relationships based on confidence, trust and respect;
 - Exhibit and defend professional and personal integrity and honesty at all times;
 - Demonstrate sensitivity for the customs, practices, culture and personal beliefs of others;
 - Advance employment and business practices that promote equality of opportunity, diversity and inclusion and support human rights and dignity;
 - Safeguard all confidential, commercially sensitive and personal data acquired as a result of business relationships and not use them for personal advantage or the benefit or detriment of third parties.

Ethical Issues in HR Analytics

- A more specific form of human resources 'analyst ethical standards' based on Schwartz (2011) can be listed as follows:
 - Compliance with the legal, cultural and social norms.
 - Safeguard against the interest of all stakeholders.
 - Accountability for the HR analytics process.
 - Safeguard against the security of information.
 - Concern for information sensitivity.
- HR managers while making use of HR analytics need to ensure that they are not ignoring the employees' privacy without their consent.
- However, we have conflicting claims on ethical issues in HR analytics, more specifically in predictive HR analytics.

Ethical Issues in HR Analytics

- This was evident in the debate on SHRM (2015).
- For example, it is claimed that the real beneficiaries of predictive HR analytics are employees, as through this, an organization can develop its structures, develop its performance management systems and rewards systems, can retain its talent and work on succession planning more effectively.
- All these can substantially contribute in creating an enabling environment for employees to give their best.
- Another claim is that predictive HR analytics while developing decision algorithms and models based on employees' data often violate ethical norms.
- Many companies often collect data on employees' attitudes, preferences and values, which are in general privy to the employees.
- This requires certain code of ethics to ensure predictive HR analytics are not prejudicing the privy of the employees and that they are adequately informed about the possible use of their data.

HR Feel More Empowered with HR Analytics

- Empowerment of HR function can be possible once HR managers can manage HR activities with HR analytics.
- HR analytics can help in performing many transactional HR jobs at a much faster pace, thus leaving HR managers to focus more on strategic HR activities to justifiably align human resources with the business.
- True empowerment of human resources is possible when we are able to bring HR functions closer to business.
- This can also make human resources responsible for the bottom line and the ROI for the organization.

HR Feel More Empowered with HR Analytics

- With HR analytics, HR managers can significantly improve the performance of a company, can build engaged human resources, increase their productivity and in the process can achieve the goals of the company.
- Many critical HR decisions when taken based on HR analytics, human resources feel more empowered, as HR managers can get insights into the issues and take decisions more accurately.
- With predictive analytics, HR managers can even go beyond in managing HR functions with a forward-looking approach.
- Also, predictive analytics can help HR managers in driving HR strategies with future perspectives.

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CASE STUDY-Making Your HR Analytics Effective: Lessons from SAS

SAS, the 1976 US-based innovative analytics and business intelligence company with a headcount of 14,158 and revenue of USD 3.16 billion in 2015, today operates from 148 countries. The company believes analytics is always an action-driven approach and it can empower the vision of an organization. It is a stair-step process. Predictive analytics also is one such step. The initial step of analytics is visualization and exploration, followed by data mining and then the process of analytics.

Predictive analytics in human resources denotes the process of examining things that did happen and then predict the probability of occurrence of certain outcome in future. Using predictive analytics, human resources can develop algorithms and predictive models, test and validate them, and use them for more accurate HR decision-making.

Globally, we have a number of companies that function based on analytics. These companies felt the need for analytics to bring changes in their HR processes so that they can attract, acquire and retain the best talent. For SAS, HR analytics is more important because it helps in acquiring the best talent and so also in retaining the talent. Using analytics in every phase of employee life cycle,

SAS takes critical talent management decisions. With analytics, SAS can get answers to who should be hiring? Who could be successful in a specific job function? Answers to other critical questions such as expected time frame for a new hire to become successful in job performance, investment required to build the capabilities of the new hires and so on also benefit the company to source the right talent. Similarly, for talent retention also the company predicts factors that increase an employee's risk of leaving the company and then develop appropriate business practices that can mitigate such problems and ensure talent retention. In most of the cases, the company could find investment in more training, including changing of the training location could bring positive changes in the mindsets of the employees. Along with this, the company also emphasizes coaching. With initial success in HR analytics, the company today recognizes the business partnership role of human resources, and could support and empower their business through HR processes.

Note: This case study has been developed based on the inputs from: Tucker (2015).

Question: Using SAS experience as the basis, explain HR analytics implementation experience of an Indian organization.

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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