

The real future of the HR professional

Laying the bricks for people analytics,
according to HR Executives.

'HR professionals will rarely have to analyze
data themselves.'

The use of data in organizations has become increasingly more important as technological developments facilitate the gathering and storing of data in ever greater amounts. Same applies for HR departments where you see a rise in data-driven decision-making, better known as 'people analytics'. Recently, Quintop identified four effective implementation actions which could lead you towards a successful analytics strategy within your organization. One of them included the development of a data driven mind- and skillset within HR (Quintop, 2019). However, even till this day, only a minority of HR professionals seem to have the right skills and knowledge to use simple metrics in order to gain valuable insights by using people analytics (Dicaudio, 2019). No surprise that you may wonder what a data driven mind- and skillset within HR exactly means. In this whitepaper, we will further explore this component. To do so, we need to start at the core, meaning we will first do a deep dive into the current developments impacting the HR sector. What does this environment mean for the role of an HR professional? Which capabilities are essential to overcome the present challenges? Finally, with the help of a scientific literature review and interviews conducted with different HR executives, we reveal you two main competences that HR professionals should possess in order to derive value from data, now and in the future.

Developments in HR

According to HR professionals we have interviewed, there are several developments currently occurring in the HR industry. The developments are: 1) The war on talent. Organizations have been looking for the best way to attract and retain the right people for their business to create a sustainable competitive advantage. 2) The increasing number of digital solutions. HR has a big market when it comes to digital solutions such as HR tools, software, cloud solutions and vendors. They can support HR with recruitment, talent management, education, communication and productivity. 3) Data protection. The increasing number of digital solutions has triggered multiple regulations on the handling of (personal) data. In HR for example, employees have gained rights to increase their control over their own personal data. 4) Diversity and inclusion. In recent years there has been and bigger focus on creating a tolerant, diverse and inclusive work environment. 5) Covid-19. The Corona virus has had a major impact on the function of HR by accelerating workplace developments such as

5 Big HR Developments

War on Talent



Rise of Digital Solutions



Data protection



Diversity and Inclusion



Covid-19



working from home, digital learning, communication and management at a distance.

Sensing opportunities, seizing chances and transforming the business

Based on the above we cannot deny that HR management is affected by a changing workforce and rapid technological advancements. Also, the department has direct involvement in crisis situations such as the current pandemic. In view of the volatile, uncertain, complex and ambiguous environment, the department is shifting from a sometimes called 'necessary evil' to a strategic factor that can create a competitive advantage.

In the dynamic landscape of today, organizations must adapt themselves to address the rapidly changing environment. Information from both the changing external environment and the internal resources must be utilized to support the organization efficiently. This information can be collected by developing the people analytics capabilities of the organization. That is, people analytics refers to the ability to perform descriptive, visual, and statistical analyses of available data coming from HR processes, human capital, organizational performance, and external economic benchmarks, to subsequently establish business impact and enable data-driven decision-making. In other words, people analytics can be used to help the organization configure internal resources and navigate the external environment in three ways: Sensing new opportunities, seizing chances and transforming the business.

- 1) The ability of HR to sense opportunities as they arise is an essential part of the development of people analytics. Sensing is the ability to detect, understand and engage with opportunities in the environment. People analytics uses data to represent the environment, resulting in the possibility for HR professionals to sense upcoming opportunities. As an example, a KPI dashboard with relevant metrics such as employee turnover could be used to sense those opportunities.
- 2) Seizing capability helps HR act on changes detected in the environment. This can include developing an improved way to deliver HR services, restructuring a department, developing problem-solving abilities and using expert knowledge in the organization to help with a project. For example, people analytics can be used to determine where a new office should be build based on the candidate pool, local facilities and real estate costs.
- 3) Transforming in an HR context involves the making of specific changes,

Use people analytics to...



...**Sense** opportunities as they arise.



...**Seize** on detected chances.



...**Transform** the business using key data.

undertaking action and dealing with resistance to progress. Moreover, effective transforming will lead to an efficient allocation of tasks, roles and resources. For instance, people analytics can help organizations determine how to rollout their new Learning and Development initiatives by analyzing the learning behavior of employees.

Essential competences for people analytics

In general HR professionals do not yet possess the ability and knowledge to use metrics and subsequently gain valuable insights from data analyses. However, practice shows us that it is often not clear to organizations how they can use the available data, define the next steps and make the best decision possible. That is why, in this whitepaper we propose that current HR professionals should join forces with data analysts and not engage in advanced analytics themselves. HR professionals should apply their HR expertise to bring value to basic reports. For example, a report has been generated which shows that the employee turnover is high in a certain department, what to do next? HR professionals should not look to train themselves to perform the data analyses. They should focus more on the story and context surrounding the data to convince stakeholders and line managers of its value.

The best way to develop people analytics capabilities within an organization is to set up a multi-disciplinary team. This team will collaborate to bring people analytics to the next level. In other domains, such as IT, self-organizing multi-disciplinary teams are becoming the standard rather than the exception. Agile teams are also becoming more popular in other departments. We therefore propose that HR should work more cross functionally with other disciplines, like sales professionals or data analysts, in order to gain the best results from people analytics. With the help of scientific literature review and interviews with HR professionals, we present you two main competences that HR professionals should possess in order to create value through data-driven decision making, now and in the future.

Relational skills and storytelling

In this whitepaper we present people analytics as a vehicle transporting valuable insights to an organization. If people analytics is a vehicle, the relational capabilities would represent the roads. Most organizations are working in silo's, collaboration is needed to achieve valuable people analytics.

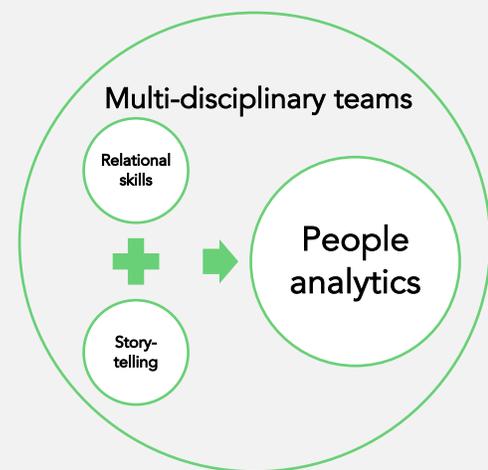
Setting up a **multi-disciplinary team** is the best way to bring your people analytics to the next level.



To develop people analytics, organizations must improve collaboration with the rest of the organization by combining internal databases and jointly performing analyses to generate valuable insights for the business. Collaboration will be most efficient through the use of multi-disciplinary teams, as mentioned before. The skill of building relationships both with internal colleagues as well as specialized external partners has proven to be essential in developing the people analytics capability of an organization. In this case, you can have external partners who add the required analytical expertise and bring the organization to a higher level of analytics. This means going from simple HR metric reporting to an integrated dashboard with information about HR, sales, finance and operations. Also, you can have internal expertise in different parts of the organization that you want to compile in order to share expertise and experience and finally improve the data driven decision making within HR. Research has indicated that HR has an essential role in developing those external and interdepartmental relations.

Second, HR professionals should be trained to understand what is presented to them by data analysts, provide the context and perspective of HR and present a story of the results based on data analyses to the rest of the organization. As explained earlier, the goal of people analytics is not doing advanced analyses on data. It is a tool to make better decisions and create impact. Only doing analyses will not have an impact. Reports and metrics only present to you 'what' is happening without presenting the 'why'. HR professionals rarely analyze data themselves. At the same time, training HR professionals in properly arranging datasets and giving words to data should not be skipped when your organization want to reap the benefits of people analytics. There are a lot of available HR tools and consultancy services that seek to help organizations with people analytics. It is often seen in the organizations of the interviewees that the handling of data and the data analysis is deferred to internal data analysts or external software or HR tools providers. That is why HR professionals should focus on the 'why' by improving their data storytelling skills. Managers are not supported enough by showing numbers in a dashboard or presentation, they need to be engaged in what is happening and what they can do to improve. Thus, focusing on the presentation and story of data-driven insights will be the area where HR can create the most value for the business.

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Quintop's & People Analytics

We assist our clients in the realization of a data driven HR strategy by means of people analytics, from design to implementation. We create a tailor-made plan that fits the organization. In the adoption of people analytics strategies, we support our clients with building and developing the skills and capabilities of HR professionals, by facilitating workshops and training sessions. Additionally, we help our clients with selecting the right tools that can provide the desired data insights. But more importantly: we learn our clients how to make the best use of the tools themselves and how to interpret, follow up on the outcomes and finally create impact.

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