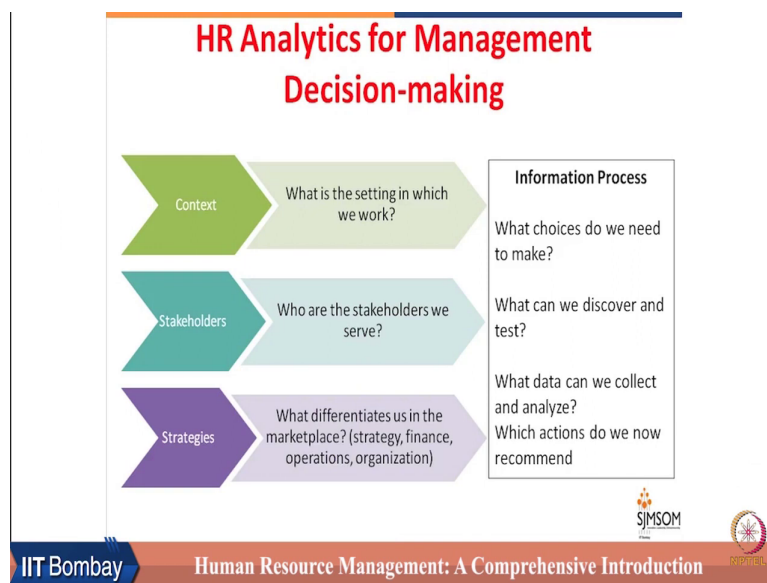**Advances in Strategic Human Resource Management**
Prof. Ashish Pandey
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HR Analytics: Descriptive and Predictive Analysis and Their Practical Applications
for SHRM
Lecture - 10 C
Tools for Effective Decision Making and Factors for Success in Future at Work

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Question arises how we decide and how we use HR analytics for the strategic and operational benefit of the organization.

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HR Analytics: Case Examples Cont...

Relating engagement with store income

The authors of *Competing on Talent Analytics*, describe that some organizations *"can precisely identify the value of a 0.1% increase in engagement among employees in a particular store."* They take the example of Best Buy, where a 0.1% increase in engagement results in over $ 100,000 in annual operating income *per store*.

Turnover at Experian

By building a predictive model that included 200 attributes, including team size and structure, supervisor performance, and length of commute, they were able to predict flight risk. An example risk factor was teams of more than 10 to 12 people. The analytics team also identified flight risk triggers: when someone moved further away from the office, this would increase immediate flight risk.

The model was rolled out in multiple regions – with slight differences to the predictive algorithm. These insights, combined with good management practices, reportedly resulted in a drop in attrition of 2-3% over the past 18 months with an estimated saving of $8,000,000 to $10,000,000.

https://www.aihr.com/blog/hr-analytics-case-studies/

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Human Resource Management: A Comprehensive Introduction

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Again, we go back to the paper by Rasmussen and Ulrich in that paper they give a simple schema. Three step process which can help us to use analytics in more effective way. What they suggest is first identify the context. What is my industry context and what is my general marketing context? Who are how is my industrial environment? How is my general environment?

Looking at that context what is the setting in which we are working that results into our insight about the real challenges in our performance in the organizational performance. Arising from the context comes understanding about the stakeholders. Who are my stakeholders? Customers, employees, suppliers, regulators, natural environment, educational institutions who all are my stakeholders and based on that strategies are identified.

How we are going to deliver unique values to these stakeholders? Once we know these once we know the answer of these three questions then the next set of questions are related to HR analytics. Because they indicate what choices do we need to make or what can we discover and test and what data can we collect and analyze. Because different stakeholders can be managed or for different stakeholders different types of data will be relevant.

For employees engagement data can be relevant, for the for the regulators maybe environment related data might be relevant or a text related data might be relevant. So, after identifying the context, stakeholder and strategies we need to identify what will be my uniqueness of the value delivery and in order to deliver that value what are the indicators I should check or I should follow about different stakeholders.

And whatever we do with whichever stakeholder it can be traced back to affecting in some way or other to our HR function. So, based on this understanding we need to identify the appropriate HR analytics and I shared with you an exhaustive list of the different HR analytics ratio, different type of metrics available, out of those we can choose the most appropriate ones based on these three questions, based on these three aspects and these four questions.

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We are ending this course as of now with this 20th lecture. So, it is pertinent to reflect at this juncture what is the future lies in terms of the employees skills required, organizational capabilities required and that in turn how it is going to impact the HR function.

So, based on some of the research conducted and published we can say that disruptions are coming from three broad sets in the current times. First is COVID, second is related to e-commerce and digital transaction and third is about automation and artificial intelligence.
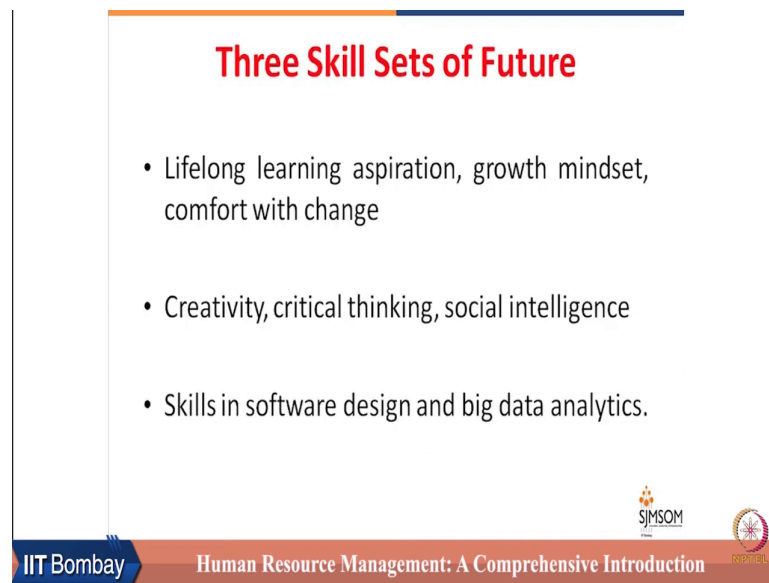
COVID has brought major disruption, it accelerated the shift to remote shift to remote work and virtual meetings. Even after pandemic people would like to continue with large number of or much higher proportion of the virtual meetings or they will prefer remote working at least few days in a week. So, that is a major train we are going to see in the future.

Second big group of train is related to e-commerce and other digital transactions. e-commerce we all have seen has increased multi fold the presence has increased multi fold after and during COVID, that has made people familiar to and that has made people sometime habitual to e-commerce and digital transactions.

So, these trains continue to increase and that these are going to continue redefining how we do things, how we purchase things, how we consume things. Third major train is caused due to technological factors related to automation and AI. So, companies are using technology to adapt new realities and planning to implement more technologies in future.

So, they are reducing the human interventions, many of the processes are getting automated and these factors are again redefining not only work, but they are redefining the organizations, they are redefining the way organizations interact with employees and consumers.

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So, based on these three things three skill sets can be identified which are going to be the key skill sets to be successful in the future of work. These skill sets are related to lifelong learning aspirations. Technologies keep changing, global globalization and the international trade is regularly fast redefining the business landscape. In this context we need to be ready to learn new things regularly and proactively.

Growth mindset is also a very important skill in this set. Growth mindset is looking at even our failures as opportunity for learning. We need to be comfortable with the change because change is the only thing inevitable. Creativity, critical thinking and social intelligence these are another set of the skills of the future because these are going to redefine the success of individual at workplace and success of organization in the marketplace.

More and more work is going to happen with the help of technology naturally the impact of software, the presence of software is going to only increase in the coming town coming time. So, people have to have the skills on the software design, big data analytics their familiarity with these things and they are comfort in using these things. These are identified as third set of skills of future.

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In light of these trains and these skill sets required in the future work force HR function also need to change. HR also need to be more tax heavy; they need to identify ways of facilitating the flexible working virtual teams, they need to understand how business is going to change thanks to technology and thanks to human genuity.

Based on these things what can make HR successful is defined by six questions as identified in this post-podcast of the McKinsey Global Institute. First question is how can you

reconfigure the work force and workplace to increase agility, raise productivity and empower workers while maintaining the culture?

Work force has to be more agile; they have to be more productive and still employees have to be more empowered the direct control, autocratic management are becoming more and more things of past. How to maintain the balance in these two things? That is the first question HR need to answer to remain more to be remain effective in the organization in future.

Second question is are you positioned to leverage technologies and take advantage of long term trains accelerated by them? Are we just followers or chaser are we just chasing the technology or we are proactively using the technology for the benefit of business for the benefit of customers and for the benefit of employees?

This proactive use of technology and if required proactive development of technology, choosing the appropriate technology, these are the second set this is the second set of question. Answer to this question will define the success of the HR in future. Third question is what are we doing to close the skill gaps? We discussed just now that major learning is required, fast learning is required for the individuals as well as for the organizations.

HR has to constantly observe how they can close the skill gaps. Are you clearly and transparently communicating your plans and supporting workers in making transitions? In the major changes happening all around people want to make sense of their place in work and in organization also they want to sense their place in the larger knowledge economy in larger industry.

In that context HR has to regularly continuously communicate about the organization, about the expectation of the employees and that is a very important factor and that is going to define the effectiveness of HR in future. Third is are you supporting their lifelong learning?

Are you is HR able to help employees to enhance their competence regularly and build their competence not only for the job in hand, but for the future jobs as well? And if they are able

to do it continuously and regularly that is the fifth question about HR and its success factor in future.

Last what this podcast suggest is, are you leveraging ecosystem partners to increase the effectiveness of these efforts? We need not to look at the suppliers or the customers as the competitors of the organization. They need to be partnered with the organization. Organizations are not organizations do not exist in isolation, they are always there as part of a social system, of a economic system, of a industrial system.

How they can meaningfully and productively build relationship with other stakeholders, with other organizations even with their competitors is going to define the success of organization in future. And success of HR in future will be defined by its ability to help organization to build this ecosystem, to build these productive long lasting association with different stakeholders in cleaning including the competitors to be successful in the market to deliver value to the customers as well as to the social and natural environment.