

A CASE STUDY ON PERFORMANCE MANAGEMENT THROUGH HUMAN RESOURCE ANALYTICS DURING COVID-19 PANDEMIC - A TRANSFORMATIONAL APPROACH

Dr Pallavi & Meghashree R.A

Associate Professor, MSRCASC, Bangalore & MBA Student, MSRCASC, Bangalore

This case aims to explore how Human Resource (HR) Analytics integrates with employee performance management. Literature review has revealed that several tasks are in the process of transformation. However, the transformation will be sluggish, it will take a great deal of effort for HR department, and management has to cope up with the pace during implementation of HR analytics in their work force.

Introduction

HR analytics entails collecting, analysing, and reporting HR data. It is a subset of analytics, applying analytic techniques to an organization's HR department to enhance employee performance and thereby increase return on investment. HR analytics encompasses the full employee life cycle that includes hiring performance management, compensation, and employee satisfaction.

Recent crises COVID-19 has demonstrated the immense importance of HR Analytics in helping firms to survive during crisis. It helps company to evaluate the effects of a variety of HR Key Performance Indicators (KPI) on overall business performance and make data-driven decisions. Not only it deals with data based on employee efficiency but also provides insight into each process to improve by gathering data on relevant decisions. With the help of KPI certain norms are formed and help the organisation on identifying the areas of performance need to be improved and the elements which are meeting or exceeding expectations. These KPIs helps the employees to accomplish their goals and objectives.

Artificial Intelligence in Performance Management

Emergence of Artificial intelligence systems (AI) and enhanced technical competencies have led to upgradation of HR departments. When performance appraisals were examined for research review, it was discovered that workforce analytics boosts employee happiness and willingness to improve performance. With the help of Artificial Intelligence, the unanalysed data will be paired with people analytics software, sort the data and measure the performance of an employee. Artificial Intelligence helps to:

- ✓ Collect data from various sources in a highly efficient manner.
- ✓ Allows the management to get real-time insights from gathered data.
- ✓ Removes the typical cognitive bias that come with performance evaluations.

Present Scenario

Presently 22% of firms are using people analytics in HR and 71% of companies considering it to be a high priority. HR analytics, which is used to measure employee productivity and engagement, will help the organizations to thrive progressively as people continue to work from home. More organizations have started to implement HR analytics in their systems as they realize the value of analytical data which assists them with staffing issues. These data also help in identifying performance gaps. With the help of this data it leads to better planning by providing the groundwork to achieve the end goal. Though businesses were hit by Covid-19 pandemic few top companies maintained to achieve their objectives by utilizing HR analytics to measure their employee's performance —

Google:

The software firm (Google) is proud of 'people analytics,' used in HR process which blends quantitative and qualitative data analysis with human input. It states that – “As a core building element, people analytics

influences everything they do to identify, grow, and retain Googlers.” Google utilizes analytics in a unique way by polling employees on a regular basis and monitoring the workplace's pulse in order to continuously improve it. Project Oxygen programme conducted at Google aims at determining what effective Google managers do; it uses a combination of productivity statistics and employee input to assess staff habits and talents. Performance evaluations, employee feedback will be analysed and then compared with productivity measurements, to see if different leadership styles have an impact on employee engagement and productivity.

Wal-Mart:

Wal-Mart uses HR analytics and in particular to reveal employee responsibilities, career prospects, talent development and competence. As a result, the company's performance, efficiency, and overall success have all increased. Walmart employs sophisticated tools to automate the process of evaluating changes in the workforce when predicting. The data supplied into a central database, sorted, and analysed to indicate trends in HR and related operational demands with the help of AI. Wal-mart uses this forecasting technology to estimate potential future workforce changes.

Royal Dutch Shell:

Shell recognized people who had best ideas by collecting and examining the video game outcomes and comparing them to real-world results of the employees' recommended ideas. Psychologists, neuroscientists, and data scientists created these games in order to assess human potential and achieved it by discovering six characteristics of people whose ideas succeeded using their HR analytics software. Social intelligence, employee's actual contribution, implicit learning, and conscientiousness were identified.

Challenges faced by implementing HR analytics:

- ✓ HR analytics suffers data quality because firms have a large volume of data that is difficult to acquire, process, and maintain.
- ✓ The legal and ethical implications of data are defined by data governance. It states that corporate data should be used ethically and lawfully.
- ✓ Lacks Top Management support because management has been following the old procedures which has led to difficulty in gaining their support for investing in technologies that gather and analyse staff data.
- ✓ HR analytics can be performed only by individuals having necessary expertise, abilities and who can build contextual insights to deliver appropriate findings.

Conclusion:

Performance management is critical in the establishment of HR plans for training and development, remuneration, promotion, and performance improvement. Traditional performance management methods rely on a human brain to rate and rank. To overcome the nasty influence of human bias and intensity in performance management the HR Analytics is essential while making decisions.

In India, the integration of analytical approaches into HR functions is still in its infancy. This analytical technique for performance analysis can assist businesses in addressing a variety of decision-making difficulties. As a result of COVID-19 organizations must use analytics to estimate their labour requirements, optimise revenues and expenses, assess and manage employee performance and productivity to stay competitive in the current and complicated business world.

Questions:

1. Is it necessary to implement HR analytics in organizations? If yes, how can HR analytics improve performance management?

Answer: Yes, every organization should implement HR analytics into their systems. HR analytics improve performance management in the following ways:

✓ Hiring Top Talents:

One strategy for firms to improve employee performance is to employ the suitable and most productive personnel from the beginning. HR analytics assists managers in evaluating resumes and other talent indicators in order to have a better understanding of which applicants are more likely to be motivated, committed, involved, and engaged. Getting elevated within their business, having strong recommendations, having a high rate of completion of the project, and other characteristics are some of the signs that HR analytics can assist HR professionals identify and filter throughout the hiring process.

✓ Automated Ratings:

In the past, an employee's performance was mostly managed by their direct supervisor, who provided input at an annual review. HR Analytics and other software solution have gained importance in modern HR practices. HR Analytics helps in identification of red flags or low-performance indicators; the identification of these gaps is much easier to tackle even before they become an issue that results in a lost workforce or decreased productivity leading to financial loss. Increased absenteeism, missed assignments, and other variables may be tracked and shared with management and staff to assist everyone improves their performance and productivity. Employees can get the most out of feedback with the aid of analytics because it is based on facts, such performance appraisal has a positive influence on employee productivity in the majority of instances.

✓ Specific measures:

When HR analytics are included into a comprehensive human capital management strategy and software solution, a significant amount of transparency is obtained, which benefits both businesses and workers. Performance evaluations are more accessible to employees with quantifiable, trackable, and less unclear goals because of the Human Capital Management system. Employee evaluations and performance management tools are designed to help workers understand what they are doing well, what they should keep doing, what they need to develop on, and how to accomplish those changes. HR analytics may utilise actual data to enlighten employees and management, as well as assist them in making choices and setting objectives based on that information.

✓ Accurate forecasts:

Employers may use HR analytics to analyse trends over time. If they see a lot of low productivity or individuals leaving particular areas, they might be able to dig further into underlying issues like demoralised supervisors, a lack of training or progression opportunities, a need for effective communication. HR analytics in performance management supports firms in gaining a better knowledge of what is required for their employees in order to increase productivity and as a result, generate higher overall performance. Using the data that analytics provides, HR analytics assists companies in identifying improvement opportunities thus working to overcome them. Better data leads to better planning, which will help to provide the groundwork for greater performance.

When firms use HR analytics software and trust it to analyse and understand quantitative and qualitative data, it allows them to delve deeper into their businesses' roots. This allows businesses to have a deeper understanding of their employees' routines, behaviours and how they impact productivity and engagement.

2. Why are many companies not using HR analytics into their systems though people analytics is considered to be a high priority?

Answer: Some of the major reasons why many companies do not utilize HR analytics are as follows:

- ✓ Integrating data from a variety of sources together:

HR collects data from all of the company's divisions as part of a big data project. They must collect, cleanse, integrate, and analyse data from a variety of departments and business processes, including payroll and finance. When HR departments venture beyond their company into the realm of unstructured data and predictive analytics, the situation becomes haphazard. They require someone who can acquire and arrange data for analysis as well as do analysis.

- ✓ Skill Gap on HR's Data Analytics:

Only one in every three, HR managers consider their big data expertise to be "high" or "outstanding." Most businesses begin by recruiting quants for departments that deal directly with cash, finances, and forecasts. Graduates are not well versed in Data analytics; this acts as a major skill gap between what the educational institutions are providing and what is required in the business world.

- ✓ Inadequate IT Resources for HRs Data Analytics:

Data analytics requires a significant amount of IT resources, and many smaller businesses simply do not have the infrastructure to support Apache and other analytics initiatives. This could be very expensive for the companies to implement without having expertise from the field.

- ✓ Protection of the Data:

In reality Data protection laws may restrict the amount of data retained and the length of time it is kept. HR analytics programmes must be carefully monitored to ensure that privacy and data protection rules are followed.

In the implementation of analytics technology and the analysis of big data, the HR function lags behind other functional areas of management. Many HR professionals are unfamiliar with analytics or big data and analytics teams are unfamiliar with HR. As a result, the current varieties of HR Information System's pricey analytics capabilities are failing to offer effective strategic analytical skills.

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