ANALYTICS 4 HR SOLVING HR CHALLENGES WITH DATA

IN THE FIRST SEMESTER OF 2016 IN COLLABORATION WITH HEC-ULg EXECUTIVE SCHOOL, A TWO-DAY TRAINING PROGRAM WILL BE DELIVERED ABOUT THE FUNDAMENTALS OF *HR ANALYTICS*.

One promising HR application of predictive modeling is the promotion of employee well-being and organizational health. **In September 2015, Analytics 4 HR, a first spin-off project from HEC-ULg and UCL, launched the Health Analytics service offered to companies that want to adopt an innovative approach to promote employee well-being.** The motivation of this project is the acknowledgement that traditional methods to prevent stress and promote well-being are falling short (see table below). In contrast, the service provided by *Analytics 4 HR* will predict levels of stress, burnout or absenteeism as well as more positive outcomes like employee satisfaction and engagement. Data-driven recommendations will also be delivered to improve employee well-being.

A FIRST SPIN-OFF PROJECT FROM HEC-ULg AND UCL

Because HR decisions might have a strong impact on a company performance, we might expect that those decisions are subject to a rigorous analysis. However, according to a recent survey from the Human Capital Institute (2015), 80% of their members report that leaders use gut-feel to make HR decisions. In contrast, some companies derive insights from the use of advanced statistical analyses of HR and other business data to support evidence-based HR decisions. This approach is often referred as HR analytics.

WHAT CAN YOU EXPECT FROM HR ANALYTICS?

In Belgium, a Partena study (2013) among 223 HR professionals indicates that only 50% of them understand the concepts of "HR Metrics" or "HR Analytics"[1]. Moreover, 40% of the Belgian companies do not have HR statistics and 67% of them process manually their HR data. Indeed, it is recognized that while most departments (e.g., finance, marketing, …) use data to inform decision makers, HR lag behind.

But HR analytics is more than simply reporting HR indicators. It is before everything else a method that consists in framing a HR challenge as a scientist and solving it with data and analytics. Indeed, the starting point of any *HR analytics* initiative is a strategic HR challenge. Then, relevant data is collected and analyzed to provide meaningful information and facts to inform decision makers.

FROM DESCRIPTION TO PREDICTION

One major added-value of HR analytics is predictive modeling which consists in analyzing current and historical data to make predictions. Machine learning[2] allows to estimate the probability of future events (e.g. voluntary turnover) or the probable evolution of a variable (e.g. employee satisfaction). Predictive models provide answers to questions like: who will stay and who will leave my organization in the next 6 months? Which applicant characteristics predict future performance?

WHAT YOU PROBABLY HAVE…	… WHAT YOU COULD HAVE
A survey every year or every two years to measure employee satisfaction, well-being and associated factors.	A continuous measure of well-being and associated factors aggregating multiple data sources (and not only questionnaires).
A (printed) report with a long time lag between data collection, analysis and reporting.	Real-time results through interactive dashboards.
Results that mainly consist in a glimpse of the past.	Results about the past, the present and the future.

The availability of data as well as the capacity to access, store and analyze those data has increased tremendously. However, the ability to derive meaningful insight from those data and improve HR decision is quite low. *Analytics 4 HR* aims to improve HR decisions by providing a full range of analytics services (see picture) to create a win for companies, employees and the society.

For more information: Fabrice De Zanet, project manager Analytics 4 HR (fabrice.dezanet@ulg.ac.be)

[1] www.peoplesphere.be/fr/les-entreprises-belges-analysent-mal-leurs-donnees-rh/

[2] See *An executive's guide to machine learning* by McKinsey