# AI-Driven HR Analytics: Revolutionizing Decision-making for Strategic Human Capital Management

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# Key Takeaways

Introduction to HR Analytics

Key Metrics and Data Sources

Predictive Analytics in HR

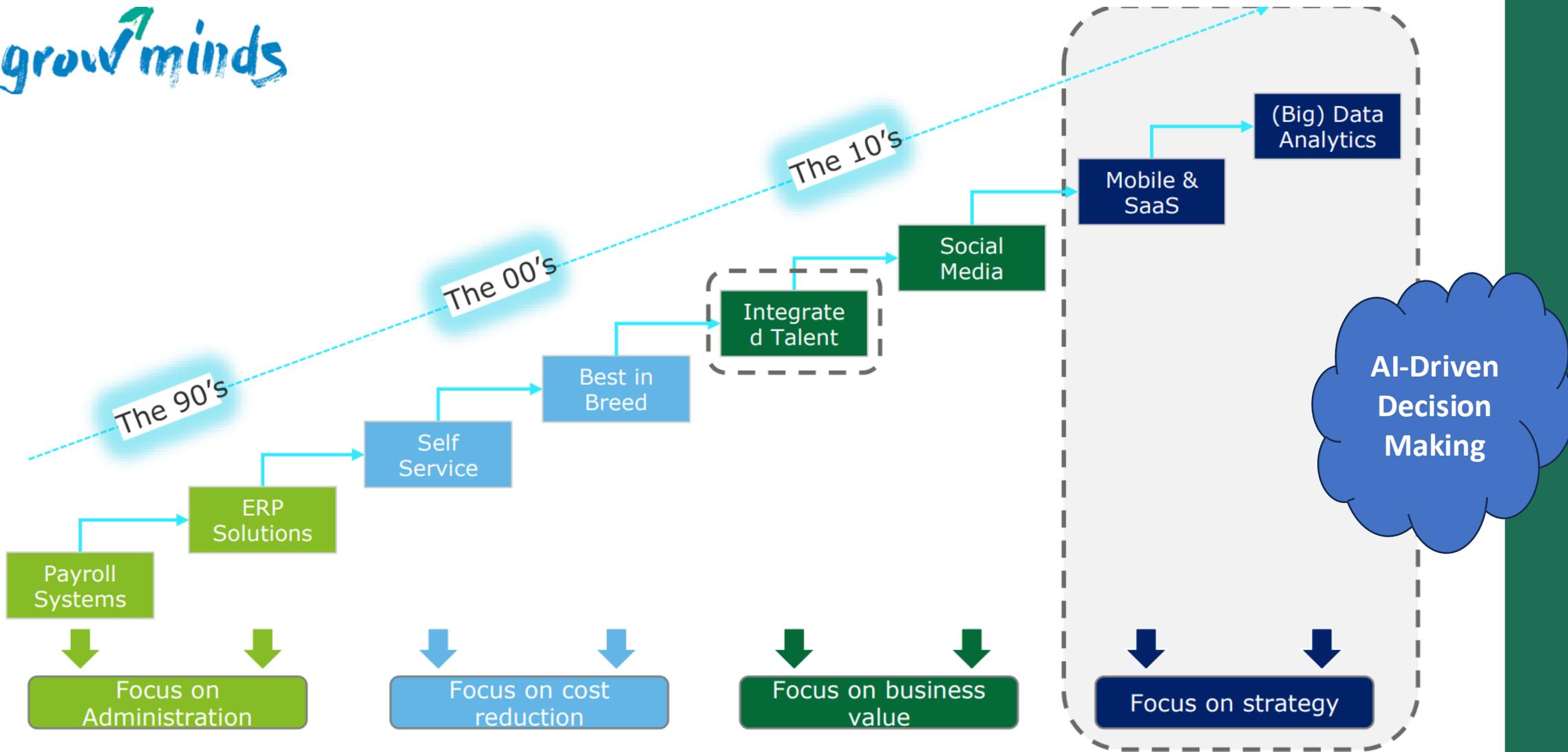Challenges and Best Practices

Achieved Goals from HR Analytics

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Human resource management (HRM) is the most important function in organizations in terms of competitive advantages, strategic relevance and sustainability
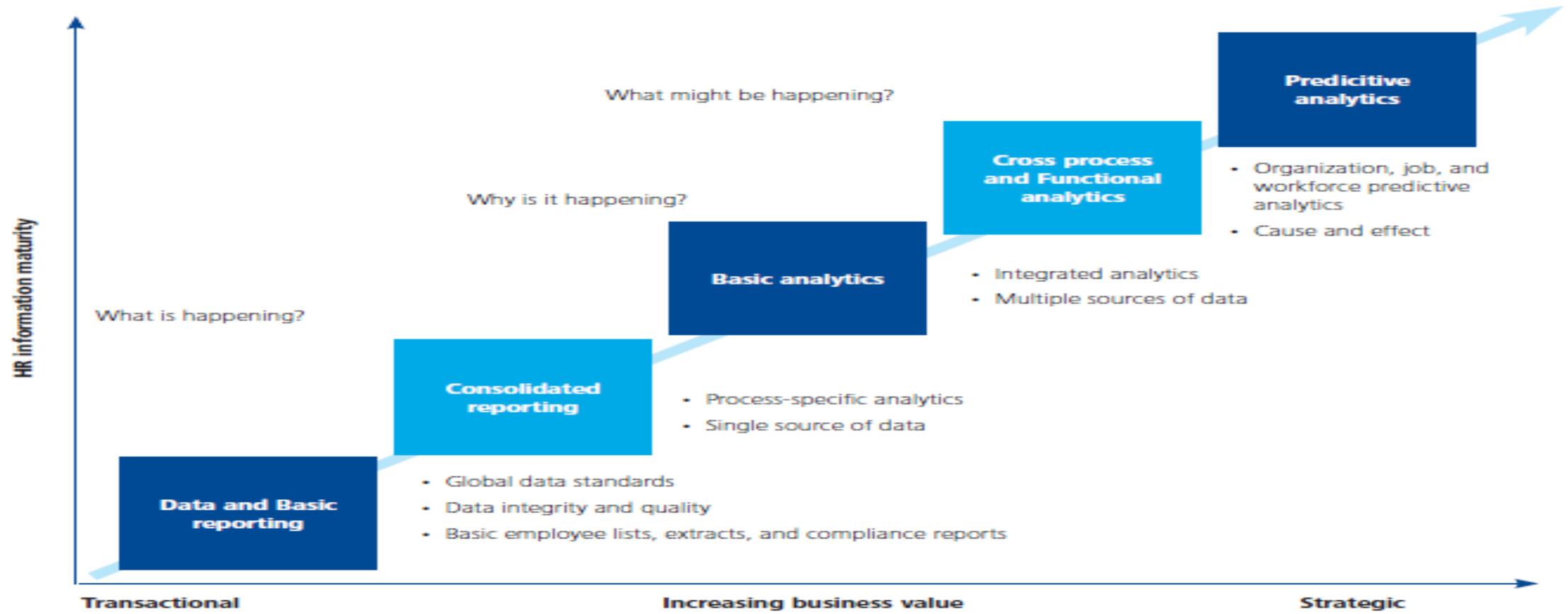
# Workforce Analytics

**Information maturity curve**



HR information maturity (vertical axis)

**What might be happening?**

**Predicitive analytics**

- Organization, job, and workforce predictive analytics
- Cause and effect

**Cross process and Functional analytics**

**Why is it happening?**

- Integrated analytics
- Multiple sources of data

**Basic analytics**

**What is happening?**

**Consolidated reporting**

- Process-specific analytics
- Single source of data

**Data and Basic reporting**

- Global data standards
- Data integrity and quality
- Basic employee lists, extracts, and compliance reports

Transactional ———— Increasing business value ———— Strategic

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# Leadership: New Age vs. Old Skool

Prepared by Catherine Adenle

**Old Skool** **New Age**

## Old Skool

### Power
Dictates 'how to' approaches and always keen to maintain standards

Loves his office more than the shop floor

### Communication
Sees most information as confidential

Capable of communicating powerfully, but rarely does

### People
Prefers to keep employees as followers, afraid to create leaders

Struggles to reward employees' good work, sees it as the work they are paid to do

## New Age

### Power
Sees the good in everyone and capitalizes on employees' strength

Takes a team approach to problem solving, innovation and continuous improvements

### Communication
Communicates expectations regularly

Sees open communications and information sharing as the cornerstone of collaborative leadership

### People
Actively seeks out future career moves and job assignments for employees

Fully engages people to help them achieve their potential. Uses the right amount of challenge, confidence, and coaching to help people grow and develop

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https://www.linkedin.com/pulse/leadership-you-old-skool-new-age-find-out-catherine-adenle/

# Traditional HR

- Administrative function only
- Hire and forget
- Recruited talent doesn't meet business requirement
- Reactive recruiting, only recruit when asked
- Too much budget on recruitment
- Training materials do not meet knowledge needed for business

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# Traditional Role of an HR Manager

- Solve problems when they occur (reactive)
- Manages head of HR sections
- Performs daily tasks pertaining to the HR division work
- Looks at past employees Data
- Tracks employee's attendance
- Makes sure payroll is working as per country regulations
- Makes sure training classes are running smoothly
- Do not rely heavily on systems
- Considers HRIS as a repository of employee's information

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# What questions can be answered through traditional HR reporting?

- Turn over rate?
- # of employees?
- What is the average age ?
- How many training courses?
- What is the total salary paid ?
- # of late employees?

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# All THIS is NOT ENOUGH

# More expectations from HR professionals

We have seen the traditional HR functions, BUT *Today* as an HR professional you're expected to do more than just manage the workforce

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# Innovative Role of an HR Manager

Prevents problems from happening (Proactive)

## Is it Easier To Prevent or Fix Hiring Problems?

www.ManagerMojo.com

# Innovative Role of an HR Manager

Leads head of HR sections in addition to managing daily tasks

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STRATEGIC
PARTNER

Innovative Role of an HR Manager

Considers HR as a strategic partner that can drive organization forward

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# Innovative Role of an HR Manager

Considers employees are the most important asset of an organization

TAKING CARE OF YOUR MOST IMPORTANT ASSET: YOUR EMPLOYEES.

# Innovative Role of an HR Manager

Tracks employee behavior to get insights

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Innovative Role of an HR Manager

Makes sure payroll is linked to a salary scale

# Innovative Role of an HR Manager

Makes sure employees are being evaluated on a regular basis

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# Innovative Role of an HR Manager

Makes sure training is linked to career path planning and given to the right employees with the right potential to grow within their area of expertise

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# Innovative Role of an HR Manager

Relies heavily on systems to store, track and analyze employee's behavior

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# Innovative Role of an HR Manager

**Considers HRIS as a must have to build a solid base for the Business Intelligence reporting, and data mining analysis**

# HOW CAN AN HR MANAGER EMBARK ON THIS TRANSFORMATIVE JOURNEY WITHOUT DEPENDENCE ON HR ANALYTICS?



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WHY
INNOVATE?

# Organizations, across the globe, are now facing many challenges

- ✓ Technological change (Globalization)

- ✓ Rising competition

- ✓ Structural change in employment relationships

- ✓ THE RISE OF AI

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HR FAILURES ACROSS THE GLOBE

# Global HR Failures

**Uber's Corporate Culture Issues**: Uber faced numerous HR failures related to its corporate culture, including allegations of systemic sexual harassment, discrimination, and a toxic work environment. These issues ultimately came to light through a blog post by a former employee, leading to a major investigation, the ousting of senior executives, and ongoing efforts to reform its workplace culture.

# Global HR Failures

**Amazon's Ambitious HR Technology**: Amazon experimented with AI-driven recruitment technology to automate its hiring process. The technology ended up being biased against women, as it inadvertently learned to favor male candidates over female candidates based on patterns in resumes submitted over a 10-year period. Amazon had to scrap the project, showcasing the potential pitfalls of relying too heavily on AI without sufficient oversight.

# Global HR Failures

The root cause of Toyota's problems, including employee failures to make good decisions and address negative issues, was driven by HR processes such as rewards, training, performance management, and hiring that likely incentivized ignoring facts and denying issues, necessitating a thorough examination of these systems.

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# NO MORE HR IN SILOS

All these changes **redefined the process** of managing human resources, making employees as *partners* of the organizations and their management as a **business-aligned function.**

HOW To make sure that **HR decision-making process** is more and more **aligned with the business goals of the organizations** ?

HR AS STRATEGIC PARTNER

**contribute** to the **accomplishment of the organization-wide business plans and objectives**.

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HR AS AN EMPLOYEE ADVOCATE

Nurture a work environment that motivates people

# HR AS CHANGE CHAMPION

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1. evaluate the effectiveness of the organization
2. understand the need for change
3. assess the need for knowledge and skill to execute the change process
4. manage the employees' resistance to change.

# Strategic Human Resource Management Approach

HR managers focus on developing HR for sustainable competitive advantage. HOW?

1. GET BEST TALENT
2. DECREASE TURN OVER RATE
3. SUCCESSFUL SUCCESSION PLANNING
4. FORCAST WHEN EMPLOYEES LEAVE
5. FORCAST BEST FIT CANDIDATE FOR A CERTAIN POSITION
6. TRAIN PEOPLE WELL ENOUGH TO PERFORM THEIR TASKS PERFECTLY
7. PREPARE PEOPLE TO DEAL WITH COMPLICATED CUSTOMER-RELATED ISSUES

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Strategic Human Resource
Management Approach

HR ANALYTICS

**All these SHRM activities can become more effective when these are powered by HR analytics.**

Why?

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Time spent on adminstrative and operational activities can be reduced by up to

# 60%

by using an HRIS.

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- ✓ Upskilling and Reskilling : 53% of organizations report that upskilling or reskilling the current workforce is a top priority.

- ✓ Turnover Intent : 27% of HR professionals are actively searching for another job, while 28% intend to pursue a job in another organization in 2024.

- ✓ AI Integration : Only 12% of HR professionals and 15% of U.S. workers believe that their organization is effectively integrating AI.

- ✓ HR Staffing Levels : Only 19% of HR executives expect to be able to increase their department headcount.

- ✓ HR Budget Increases : 34% of HR departments plan to increase their budget for HR employee compensation for 2024.

Source: SHRM 2023-2024 State of the Workplace Study

# Global HR Successes

1. Skill Gap and Value Creation: 52% of CEOs reported that a lack of skills in their workforce is inhibiting their organization's ability to create value.

2. Productivity and AI: 31% of workers believe AI will increase their productivity at work.

3. Quality Improvement through AI: 60% of CEOs expect AI to significantly improve product or service quality.

4. Changing Skill Requirements: 51% of employees anticipate that the skills their job requires will change significantly within the next five years.

# Global HR Successes

Google is renowned for its data-driven HR approach, termed "People Analytics," where all HR decisions are backed by data to improve employee satisfaction and performance. This approach has contributed to high employee engagement rates and has made Google one of the most desirable places to work, as evidenced by its regular appearance at the top of "best places to work" lists.

# Global HR Successes

**NETFLIX**

**Netflix's Culture and Freedom**: Netflix's innovative HR policy includes practices such as the "Freedom and Responsibility" culture, which includes unlimited vacation days and a focus on hiring "fully formed adults" who managers can trust to make big decisions. This culture encourages responsibility and innovation, contributing to Netflix's agility and its ability to adapt quickly in the fast-changing entertainment industry.

# IT IS ABOUT TIME THAT

HR UNDERSTANDS THE BUSINESS LANGUAGE

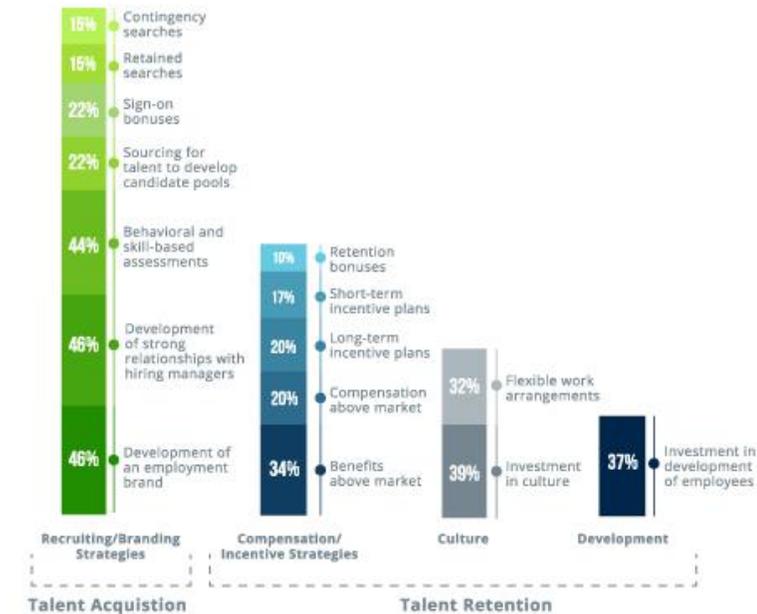# Hr Analytics provide INSIGHTS around Workforce management

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**Data analytics in Human Resources is quickly becoming a new area of innovation and focus**

**because of the insights it can provide around workforce management.**

**Analytics is being looked to as a way to break down human behaviour into something that is easy to quantify and understand.**

## HOW DO HR ORGANIZATIONS MEASURE THEIR SUCCESS?

**52%**
HR's ability to build workforce capacity

**46%**
HR's ability to engage employees

**43%**
HR's program effectiveness in delivering results

**41%**
HR customer satisfaction

**35%**
HR efficiency

**28%**
ROI-type metrics

## WHAT STRATEGIES ARE BEING EMPLOYED BY HR ORGANIZATIONS IN THE WAR FOR TALENT?

15% Contingency searches
15% Retained searches
22% Sign-on bonuses
22% Sourcing for talent to develop candidate pools
44% Behavioral and skill-based assessments
46% Development of strong relationships with hiring managers
46% Development of an employment brand

**Recruiting/Branding Strategies**

10% Retention bonuses
17% Short-term incentive plans
20% Long-term incentive plans
20% Compensation above market
34% Benefits above market

**Compensation/Incentive Strategies**

32% Flexible work arrangements
39% Investment in culture

**Culture**

37% Investment in development of employees

**Development**

**Talent Acquisition**          **Talent Retention**

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# HR Professionals and Business Professionals

- HR professionals are finding themselves working with other business units in a more direct fashion.

- WHY ? in order to understand their views on existing problems or new ways to help them increase customer loyalty, satisfaction, or increase ROI.

- Analytics allows HR to effectively address these problems even in complex situations

# Data-driven approach has become A MUST

For many organizations to first adopt a data-driven approach, there must be strong evidence that links actions to their revenue structure.

To establish this link, HR needs to make the connection between statistics and a realistic application of analytics with business impacts.

11
**KEY**
HR METRICS

1 ABSENCE RATE

2 ABSENCE PER MANAGER

3 OVERTIME EXPENSE

4 EMPLOYEE PRODUCTIVITY INDEX

5 TRAINING EXPENSES PER EMPLOYEE

6 TRAINING EFFECTIVENESS INDEX

7 TRAINING EFFICIENCY

8 EMPLOYEE HAPPINESS

9 VOLUNTARY TURNOVER RATE

10 TALENT TURNOVER RATE

11 RETENTION RATE PER MANAGER

**AIHR**
BLOG & ACADEMY

# The Three Pillars of Workforce Analytics

The What ?

The Why ?

What Will Be?

THE WHAT?

This is the data processing and analytics currently happening within an organization.

It tends to be dashboarding and basic metric reporting that looks at outcomes in the **rear view mirror.** Its focus is on proper data and reporting, but doesn't quite lay down actionable steps.

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THE WHY ?

This step is understanding the data that's been collected and then determining what it means.

Is an attrition rate of 12% a good thing for a specific company?

Is it better if that rises to 20% among the lowest performers ?

Why my customers in that specific branch are more satisfied than other branches?

Is it because of my employee's training we did last Quarter?

**This is the main focus for business leaders outside of HR.**

WHAT WILL BE ?

what decisions can be made based on the insights?

It's hard to achieve but it's the future promise .
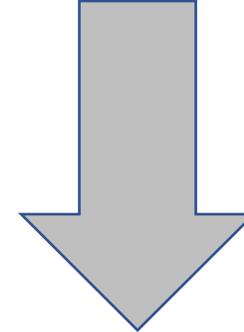
The problem with this future look is that it takes time and that requires an understanding with management and business leaders **to allow for that time.**

Brian Kelly – Founder of "Analytics First"

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"It's really hard to get to the final stage quickly.

Promises for a quick evolution do harm when they don't provide a company the chance to establish the context of success and the business application.

Too often HR departments will race to get the final stage but they don't lay a solid foundation for the 'What' and the' Why,'"

What is the first step ?
If SHRM activities to become more effective when they are powered by HR analytics,
Where do we start from ?

# SEQUENTIAL STEPS TO ACHIEVE EXCELLENCE THROUGH HR ANALYTICS

Identify your HR Processes
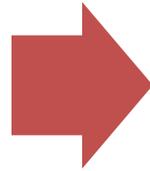
Select and Implement a suitable HRIS

Select and Implement a suitable HR Analytical Tool
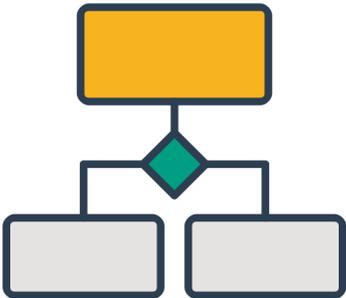
RECRUITMENT PROCESS

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## Culture

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## Development

- 37% Investment in development of employees

**Talent Acquistion**

**Talent Retention**

14 HR Metrics Examples

1. Time to hire
2. Cost per hire
3. Early turnover
4. Time since last promotion
5. Revenue per employee
6. Performance and potential
7. Billable hours per employee
8. Engagement rating
9. Cost of HR per employee
10. Ratio of HR professionals to employee
11. Ratio of HR business partners per employee
12. Turnover
13. Effectiveness of HR software
14. Absenteeism

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# The importance of DATA

To create strategies based on that information requires the right data. This is where the value of HR analytics is most relevant.

Not knowing the value of HR data is realised by using it to answer strategic questions about how people create value for the organisation, so that value can be captured and leveraged

The What ?

The Why ?

What Will Be?

it's not a Click of a Button

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ANY CHALLENGES ON THE WAY?

What are the challenges surrounding HR executive when they decide to embark on the HR Analytics journey?

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**Many HR professionals are** <span style="color:red">**sceptical**</span> **because they question whether people can be reduced to** <span style="color:blue">*metrics*</span>

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# FEAR OF RESULTS

Many HR people are reluctant to engage with numbers or are passive towards them

# TOP MANAGEMENT SUPPORT AND APPROVAL

Even when HR does have good ideas about how to develop analytics, the relatively peripheral position of HR within the organizational hierarchy may prevent the project from being able to mobilize the support to go forward, or to get the results of analysis acted upon

# ASSESSMENT OF CURRENT STATUS QUO

Lack of initial assessment of the status quo of HR Analytics within their companies

# SELECTION OF THE RIGHT SOFTWARES

Difficulty in deciding about which Software best fits the organization (Functional requirements, Technical requirements_

# COST OF THE HRIS | BI TOOLS

In addition to the cost of:

- License
- Implementation
- Infrastructure
- SLAs
- Etc..

There are hidden costs

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THE
FUNCTIONALITIES
THE HRIS PROVIDES
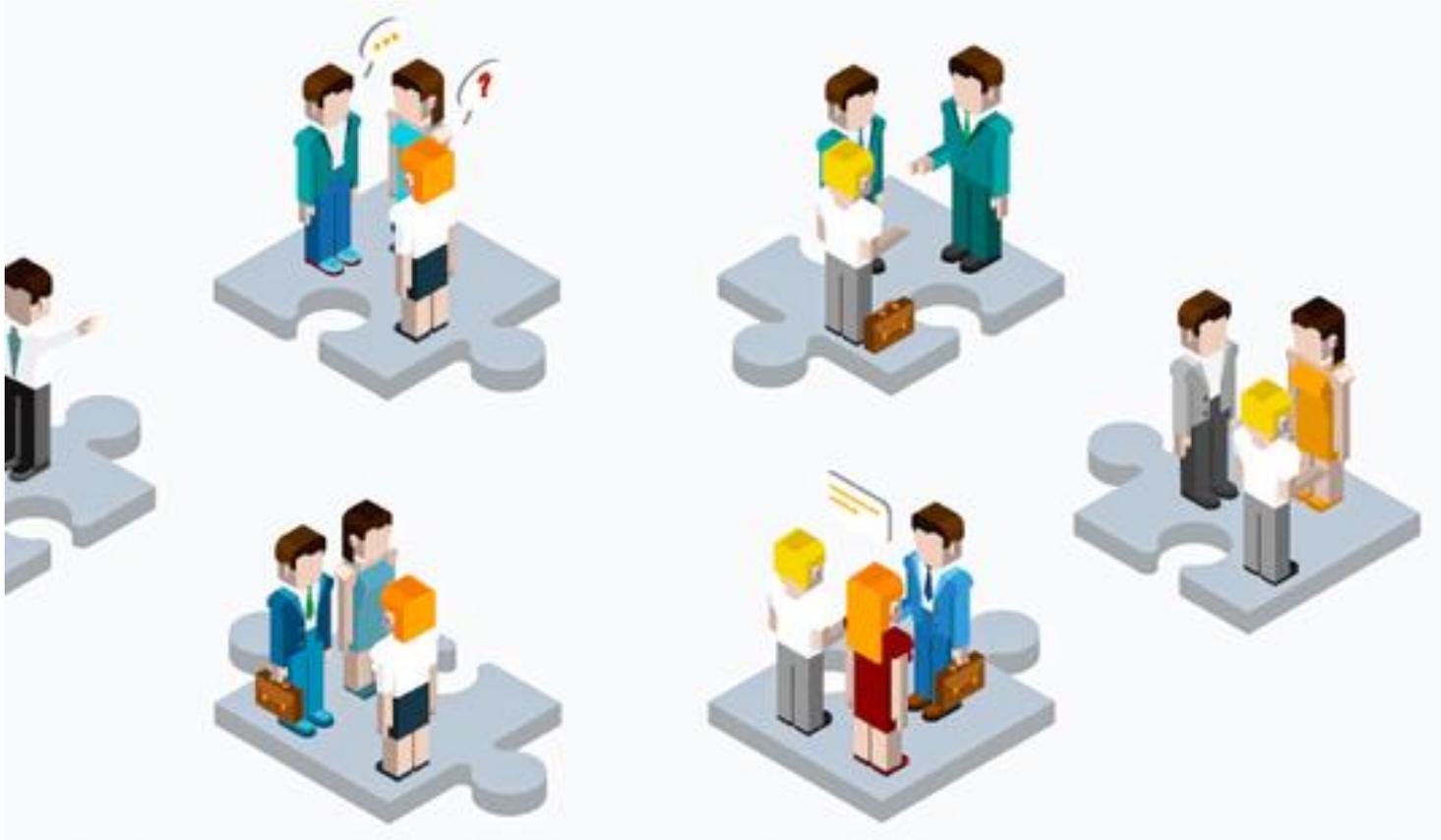
# SILOS MENTALITIES

Silo mentalities within organizations prevent HR-related data being combined with data on other determinants of productivity and performance, so it is often hard to build analytical models that examine the role of HR-related factors while controlling for other relevant factors

## CHALLENGES OF IMPLEMENTATION

Underestimation of the challenges when implementing it.

THE MANAGEMENT OF BIG DATA

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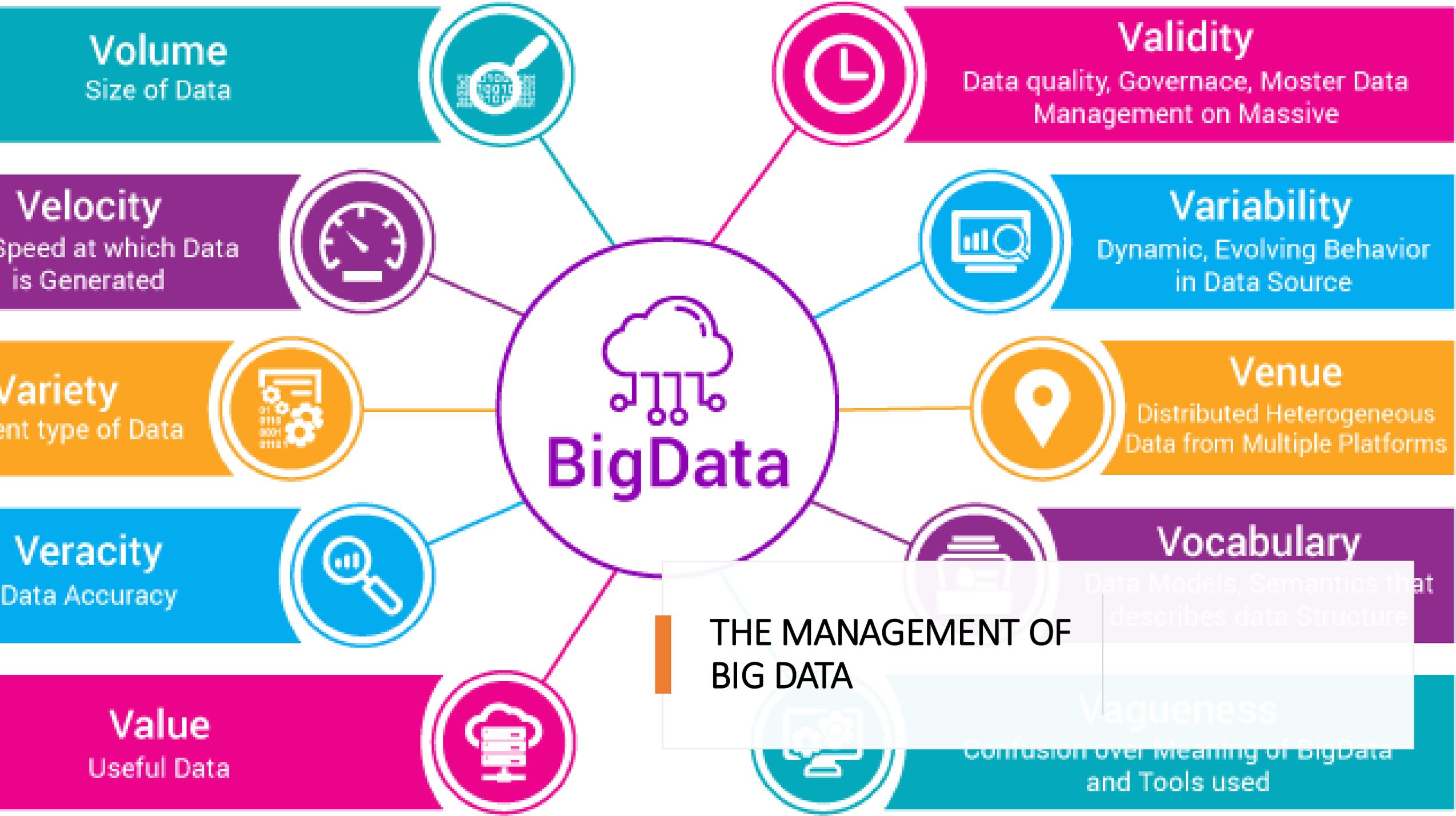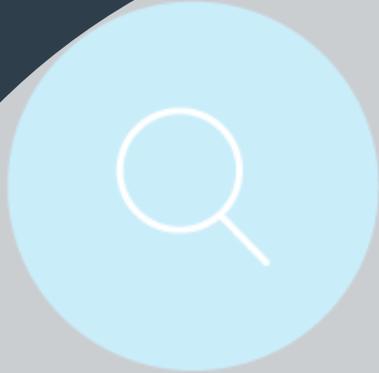
IDENTIFY STRATEGIC HR CONCERN

RESEARCH DESIGN
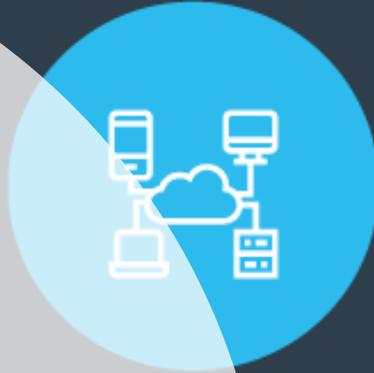
DATA MANAGEMENT

DATA ANALYSIS

DATA INTERPRETATION & COMMUNICATION

It needs to follow a systematic process

**THE HR ANALYTICS** MANAGEMENT CYCLE

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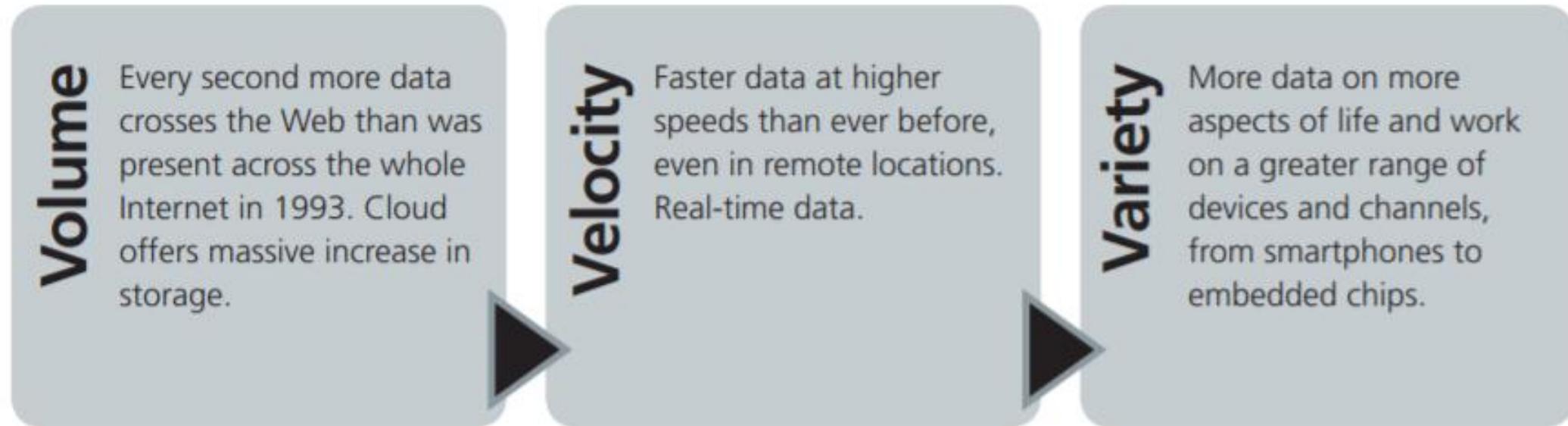
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THE NEED FOR
EXPERTS
____

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COMMITMENT OF A DEDICATED TEAM

TECHNICAL ISSUES AND DEPENDENCY ON THIRD PARTY SPs

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HOW CAN AI
HELP
INCREASE
THE SUCCESS
RATE OF
CHROs?
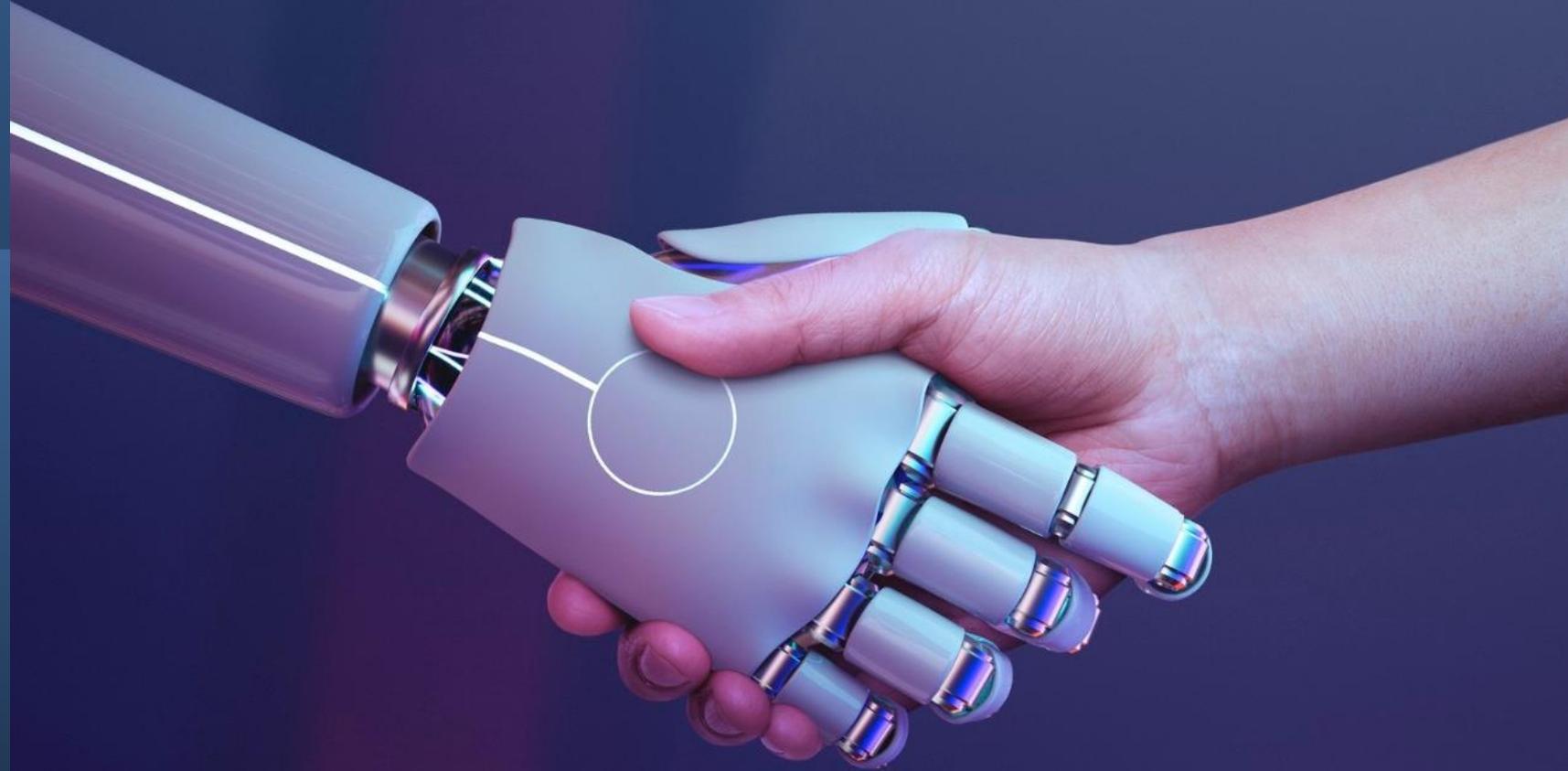
# WHAT AI CAN REALLY DO ?
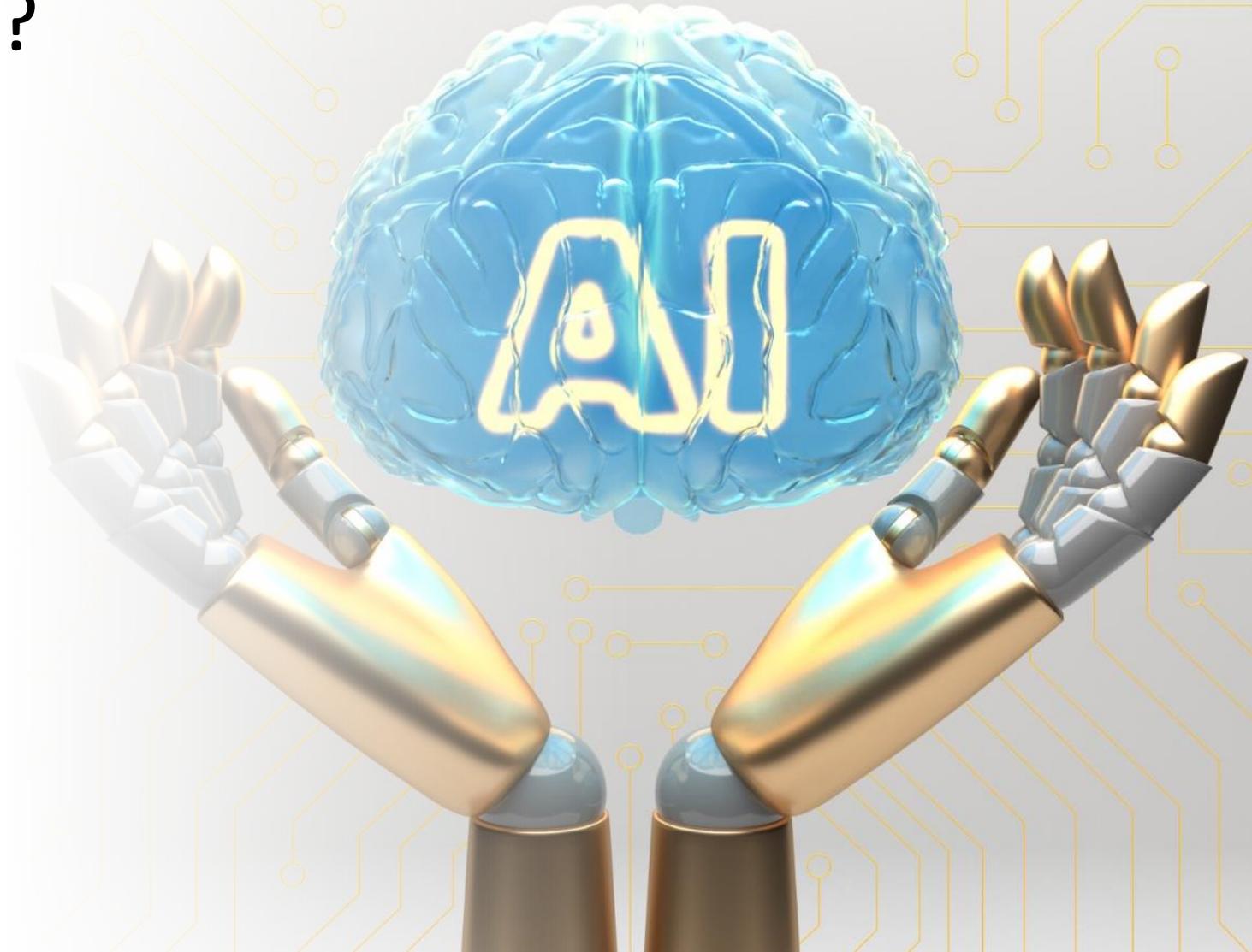
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Automate Routine Tasks
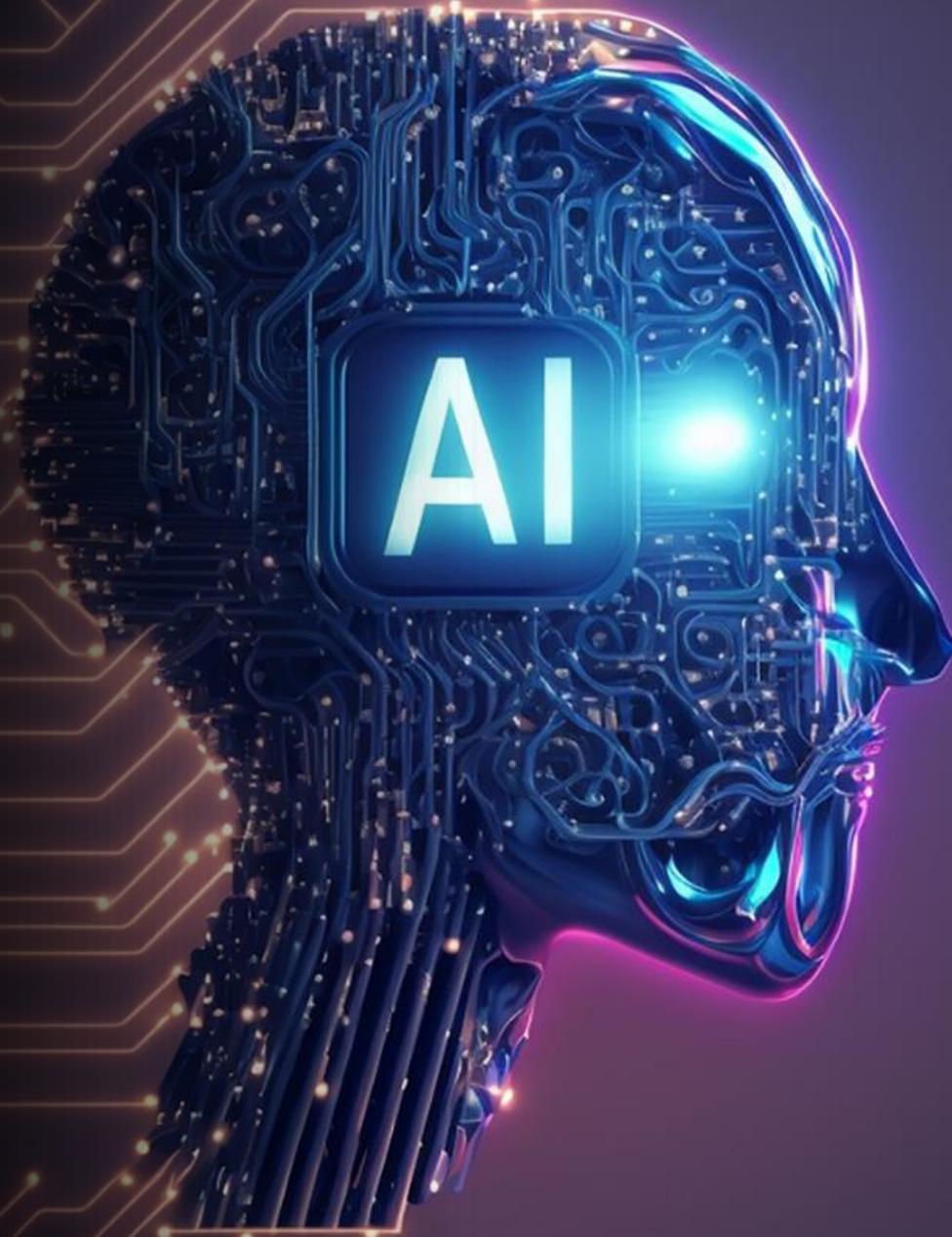
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Enhance
Decision-
Making

Improve Stakeholder Communication

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Empower
Proactive
Strategic
Leadership

# Standardization and Template Preparation
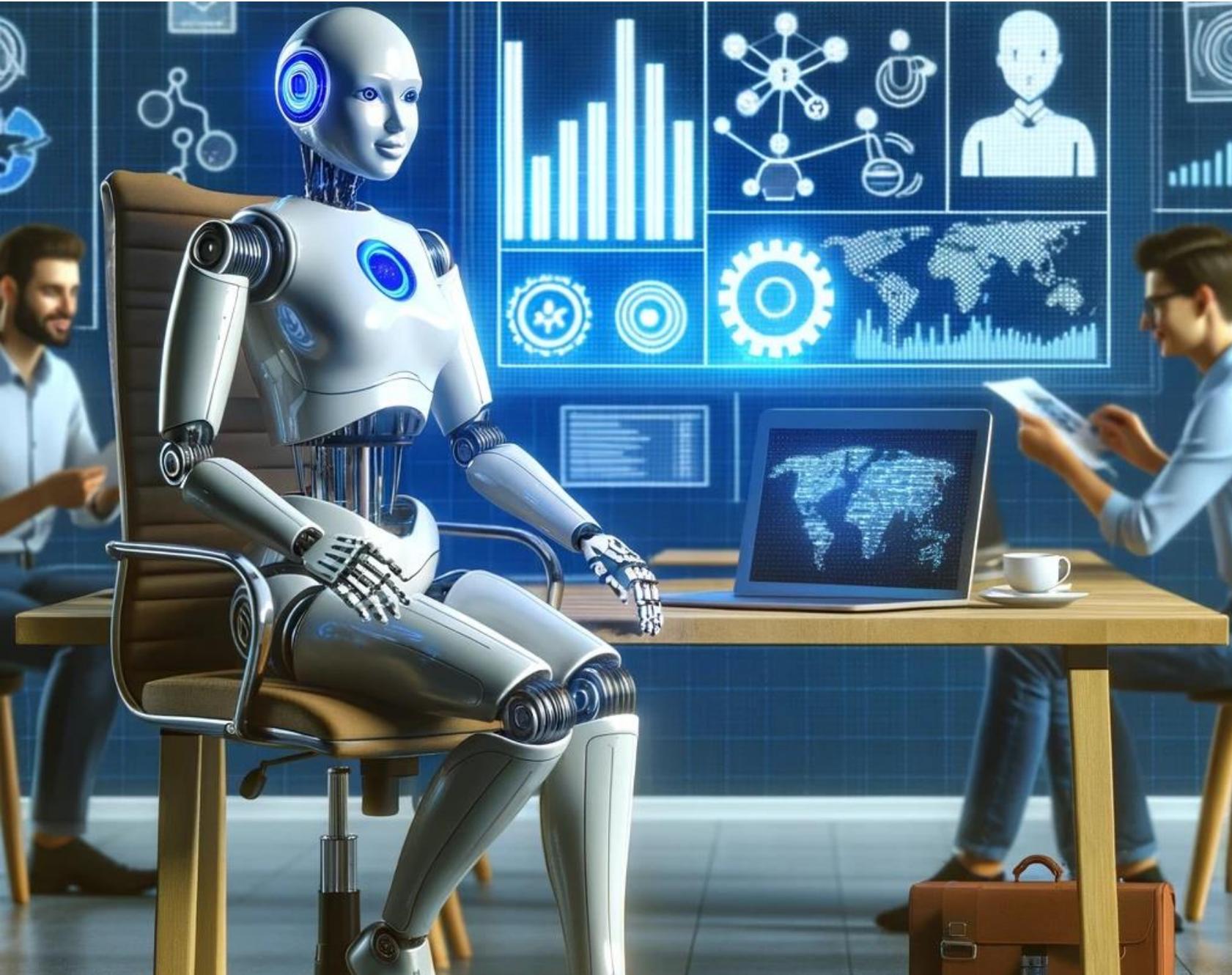
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# Customized GPTs

Tailored versions of ChatGPT, which can be fine-tuned for specific tasks like acting as a start-up mentor, showcasing the versatility and potential of AI technology

# MY GPTs

including support for multiple languages and voices, combined with text-to-speech and speech-to-text functions, enhancing user experience and interaction with AI technology【28†source】.

# Data-Driven decision making

# Data-Driven decision making

Data-driven decision-making is crucial for project success.
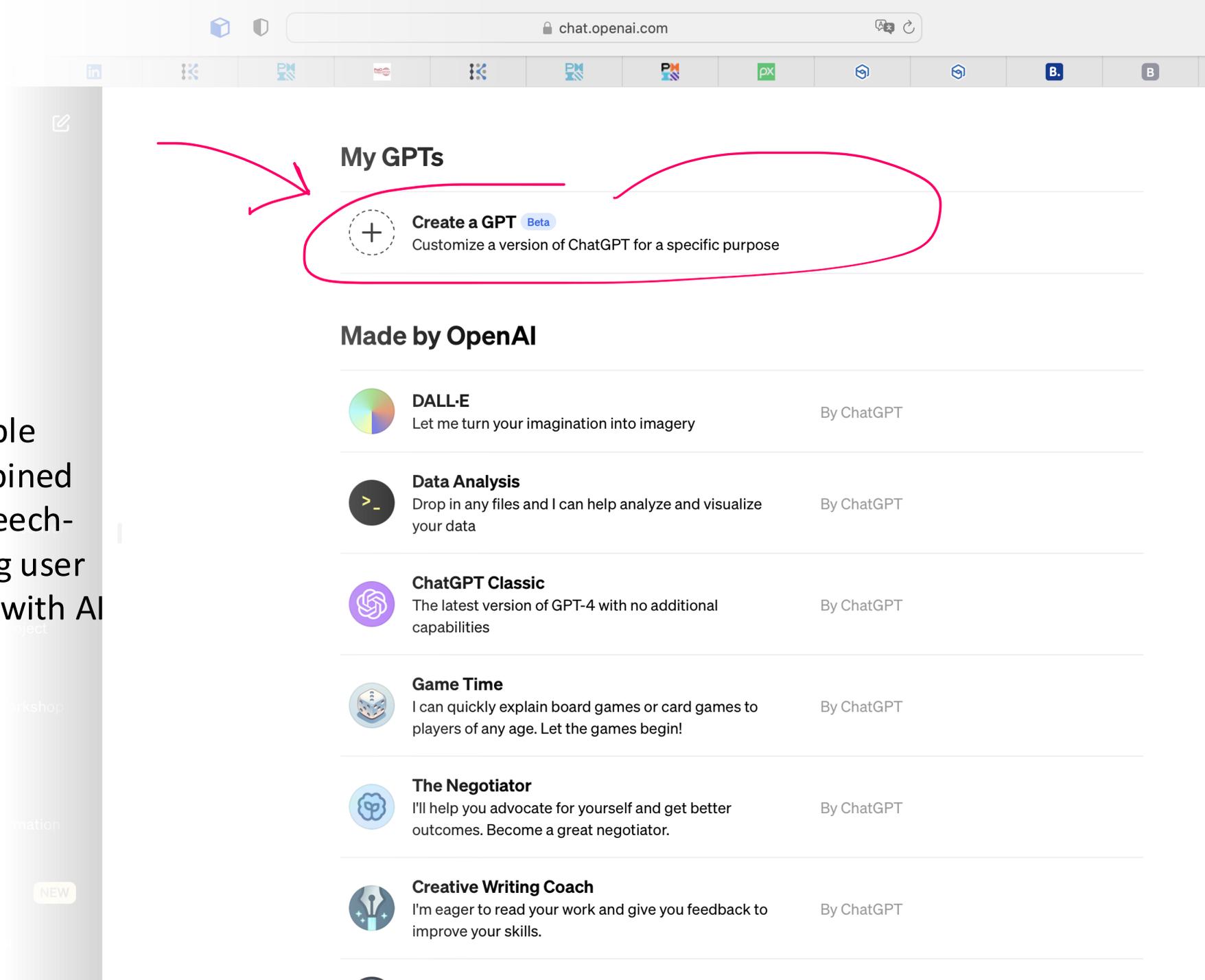
A survey indicates that 78% of organizations experience improved decision-making when integrating data into HRIS. AI excels in identifying trends and enhancing data-driven decision-making.
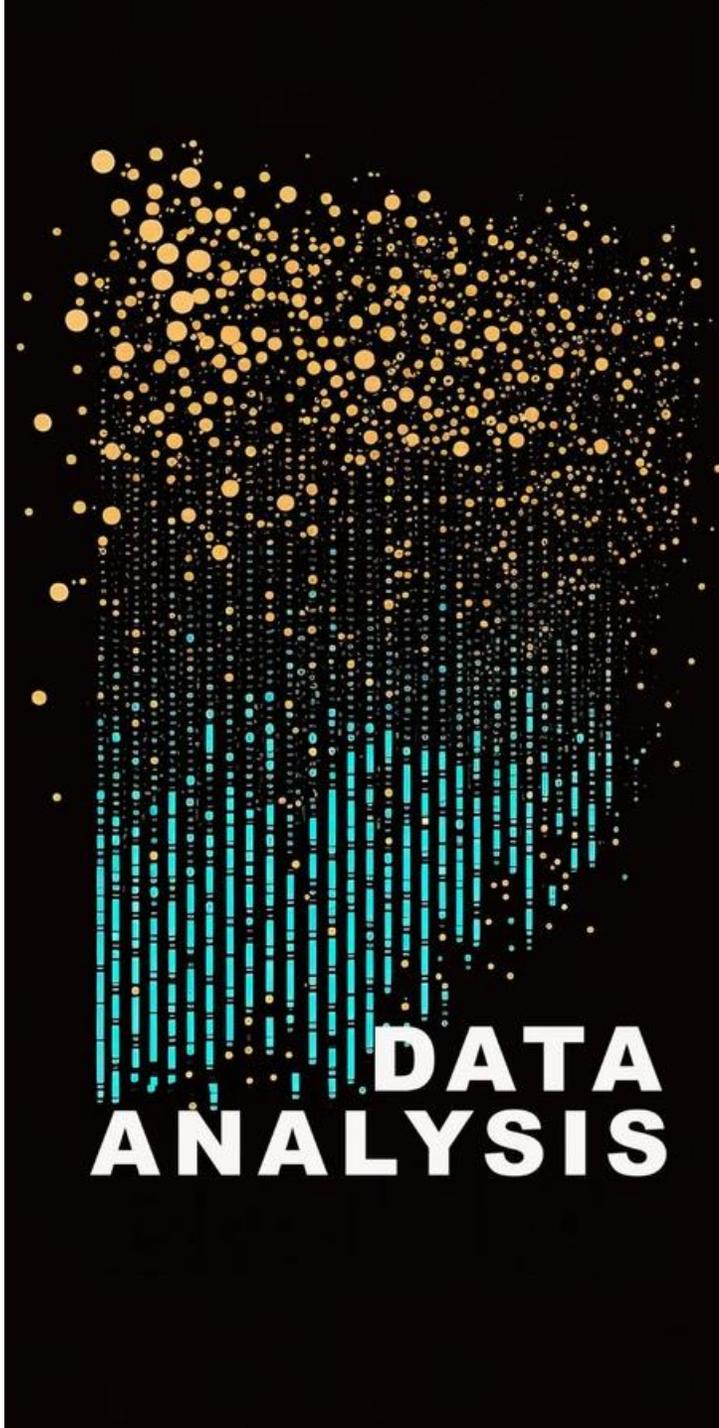
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# Data in HR

- 38% of HR leaders have explored or implemented AI solutions , with 65% recognizing AI as a catalyst for increased efficiency and productivity . Moreover, 79% of recruiters believe AI will soon be advanced enough to make hiring and firing decisions (KhrisDigital).
- 72% of businesses expect some HR roles to be fully automated within the next decade , and 56% are using AI to automate repetitive HR tasks (KhrisDigital).
- 63% of HR directors are looking to use generative AI to enhance productivity and employee experiences, with 92% of HR executives planning to increase their use of AI in at least one HR area (KhrisDigital).

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# Key Data Metrics

- ✓ 60% of professionals use generative AI for work-related tasks, and 61% of knowledge workers report that their teams are planning to implement generative AI technology within the next 12 months (Workable).
- ✓ 88% of HR professionals acknowledge the positive influence of Generative AI in enhancing training initiatives, and 90% see its value in refining performance management processes (Engagedly).

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DATA ANALYSIS

GIVEAWAYS

RECOMMENDATIONS

# TRAIN YOUR PEOPLE

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# Create a sense of Urgency

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Show the Impact of BI TOOLS

Eliminate SILOS

GET TOP MANAGEMENT
SUPPORT AND APPROVAL

TOP MANAGEMENT SUPPORT AND APPROVAL

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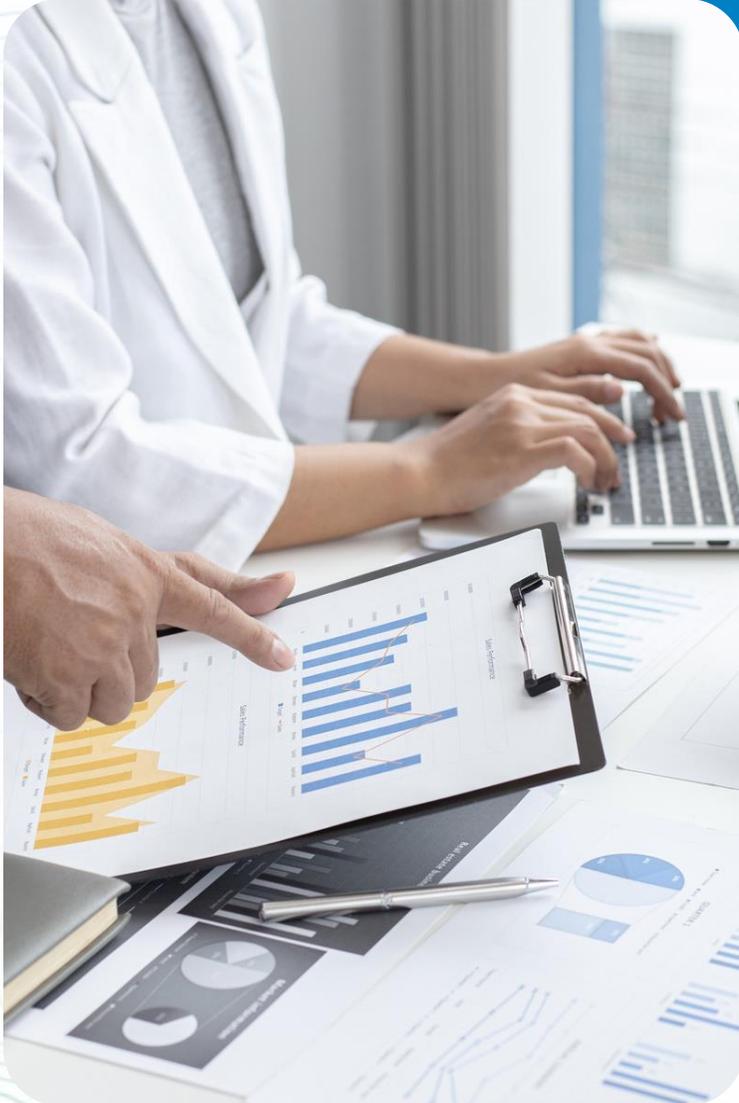
# Future Trends
## Use your imagination

1 **Evolving AI and automation for smarter solutions.**

2 **Enhanced Employee Experience**

3 **Diversity, Equity, and Inclusion (DEI)**

4 **Mental Health and Well-being**

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https://afeusa.org/articles/are-innovative-startups-disrupting-traditional-industries/

CONFLICT RESOLUTION

YOU DON'T BUILD A
BUSINESS, YOU BUILD
PEOPLE AND THEN
PEOPLE BUILD THE
BUSINESS

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# Thank you

Let's Grow Together

**THE COURAGE TO GROW**

**Dr. Mona Carlos Akram Zoughaib, PhD, PMP**
Managing Partner at We Grow Minds | PWC
Academy Certified Trainer | PMO Expert | PhD,...

## RIYADH
Building 13, Laysen Valley,
Ground Floor, Levels 1 & 2 , 3,
Riyadh, KSA

## LEBANON
Levels 2 & 3, Louis Vuitton
Building, Beirut Souks, Allenby
Street, Beirut, Lebanon

## DUBAI
Level 23, Boulevard Plaza
Tower 2 - Sheikh Mohammed
bin Rashid Blvd, Dubai, UAE

## CONTACT US

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