Creating value with Predictive HR Analytics

Lisa Giermindl, lisa.giermindl@fhsg.ch; Abdullah Redzepi, abdullah.redzepi@fhsg.ch; Oliver Christ, oliver.christ@fhsg.ch; Sibylle Olbert-Bock, sibylle.olbert@fhsg.ch

Organizations have more data than ever at their disposal as well as advanced information systems that allow them to link and analyze the constantly growing volume of internal and external data in order to make evidenced-based business decisions. Thus, it is not surprising that analytics and the associated area of big data analytics have gained massive importance in both the business and academic world and is one of the rising trends in HR (Chen et al 2012; Marler and Boudreau 2017). Predictive HR analytics (often referred to synonymously as workforce analytics or people analytics) primarily aim at deriving causal relationships from the collected employee data and making predictions about the business and future developments.

The use of predictive HR analytics holds great promises for the HR function: Analytics methods can contribute to replace or supplement intuitive and biased decisions with evidence-based decisions, leading to higher credibility, validity and thus increasing the acceptance of HR as strategic partner. Yet, despite these premises, the HR function is still lagging behind other business units and even risks falling further behind (Angrave et al. 2016). Whereas business units such as finance, sales or production have already integrated advanced or predictive analytics in their daily business, HR is still largely relying on standard, ad-hoc reportings, also due to a lack of analytics competencies (Marler and Boudreau 2017). Owing to this scarcity of uses cases, there are also few academic articles published on HR Analytics projects (Marler and Boudreau 2017).

It is the aim of our research project to close these gaps and provide novel theoretical and practical insights. Therefore, we started out on a large research project on Predictive HR Analytics, funded by the Swiss innovation agency (Innosuisse), to advance the use predictive HR Analytics together with five large, international companies from different industries. Over the next 2.5 years, our research project will focus on answering different people related business question with each organization. More specifically, we seek new ways to analyze people related data that has been collected over many longitudinal waves and to study how the usage of HR analytics dashboards transforms the HR function. We are happy to share our first results and insights and are confident that our research project will contribute to raise our understanding how HR Analytics can create value for both theory and practice.

References

Angrave, D., Charlwood, A., Kirkpatrick, I., Lawrence, M., and Stuart, M. 2016. "HR and analytics: Why HR is set to fail the big data challenge," *Human Resource Management Journal* (26).

Chen, H., Chiang, R. H., and Storey, V. C. (2012). "Business intelligence and analytics: From big data to big impact," *MIS Quarterly* (36:4).

Marler, J. H., and Boudreau, J. W. (2017). "An evidence-based review of HR Analytics," *The International Journal of Human Resource Management* (28:1), pp. 3-26.