

What Makes a HR Analytics Project Successful

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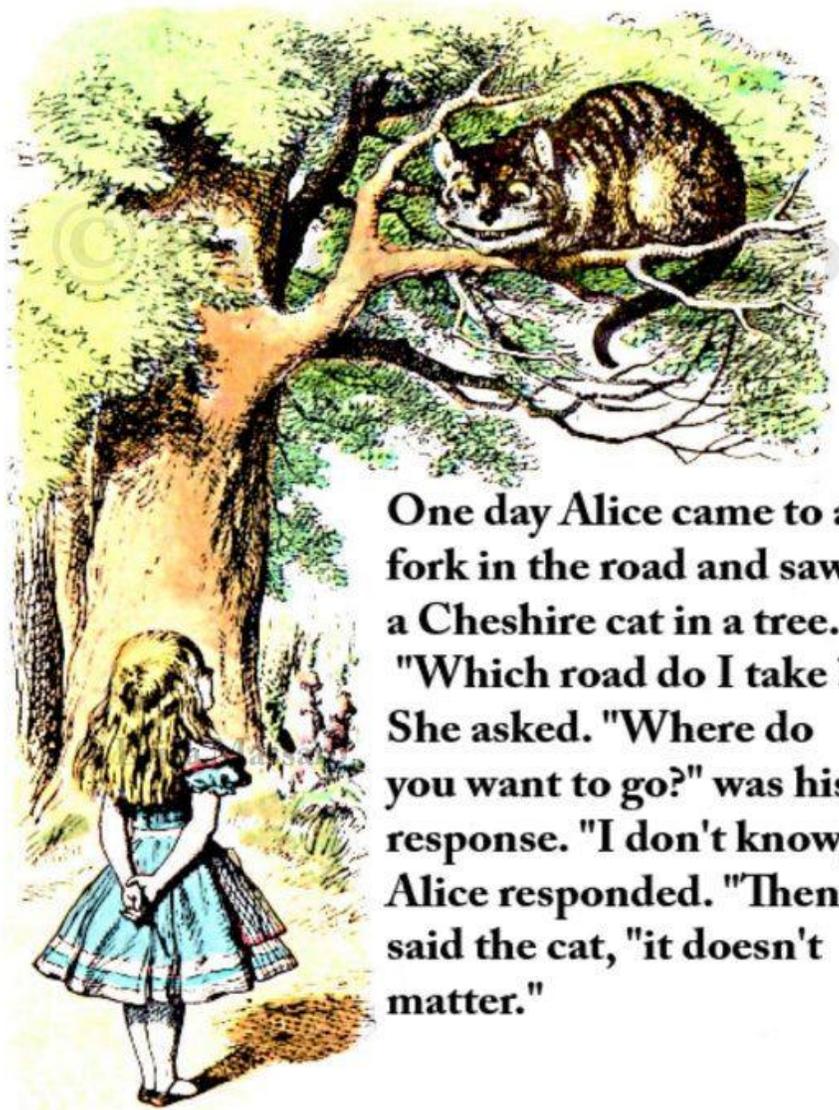
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One day Alice came to a fork in the road and saw a Cheshire cat in a tree. "Which road do I take?" She asked. "Where do you want to go?" was his response. "I don't know," Alice responded. "Then said the cat, "it doesn't matter."

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- Where do you want to go?
 - Are we doing this because it is fashionable (e.g., analytics as management fad; Rasmussen and Ulrich, 2015) or because it is rational (e.g., analytics as a way to do “more for less,” Huselid and Becker, 2005)?
- Aligning People Analytics to business strategy is not as hard as it seems
 - But it is so obvious so it must be articulated
- Human capital analytics matters most when there is substantial variance in human capital, and when this variance is linked to a core value-added business outcome
 - BUT: if human capital doesn't matter, analytics won't either!

COVI-19's Silver Lining

1. In this human crisis, people are the largest expense and the biggest asset. Any decisions regarding them must be based on evidence—guessing is far too costly.

People analytics can provide many of the inputs needed for evidence-based decisions.

2. In these uncertain and challenging times, our business leaders cannot rely on previous experiences or planned responses, and they face a great deal of ambiguity and uncertainty.

People analytics replaces uncertainty with data.

2. No one knows what the “next normal” is going to be, but everyone is certain that it will be different.

People analytics could sketch the contours of the “next normal” through data-driven scenario planning.

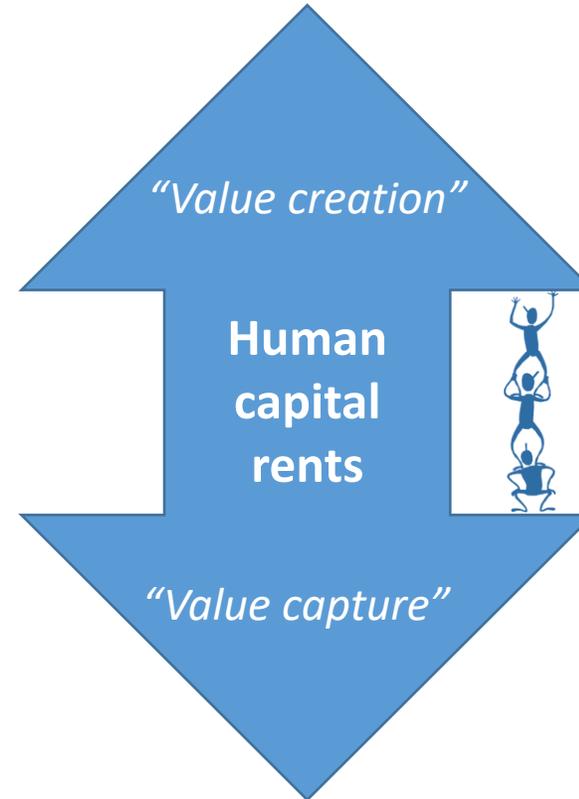
Sharing data (operational reporting)

- Decision makers need accurate information about the workforce:
who, how many, and where
- The goal is not to overpopulate the Crisis Management Dashboard but to carefully select newly critical information about the workforce at a desirable level of granularity.
- Examples:
 - map the workforce data against the publicly available COVID-19 datasets
 - create their own risk-assessment indices

Value Capture vs. Value Creation

We need to understand that they can generate greater human capital rents by broadening the gap between the value in use of workers' human capital and the cost that they pay for that capital (while keeping the costs constant)

Opportunities to increase human capital value in use

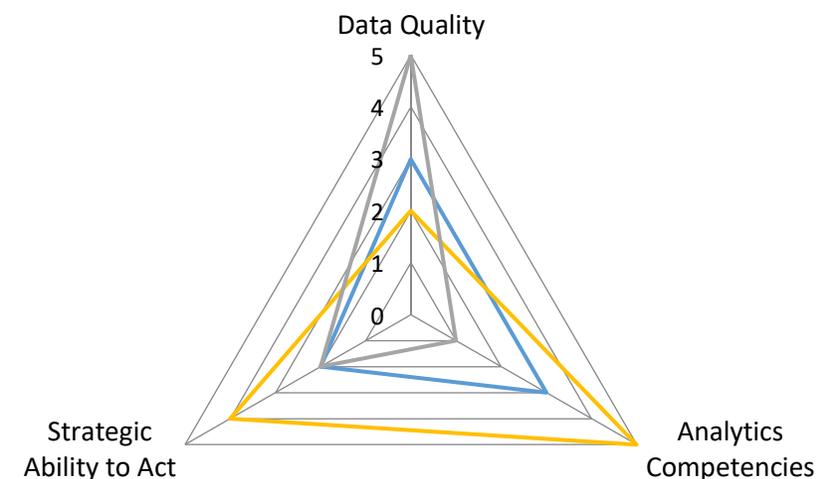


Opportunities to decrease cost of human capital



Every analytics project is a change management project

- “For us [at Shell], the ultimate two questions we ask ourselves whenever we initiate an analytics project are:
 - (1) Would our senior line management see the value of the insight and proposed intervention in light of our business strategy, and
 - (2) What would it take to suspend long-held beliefs in light of new data?”
(Rasmussen and Van der Togt, 2017)



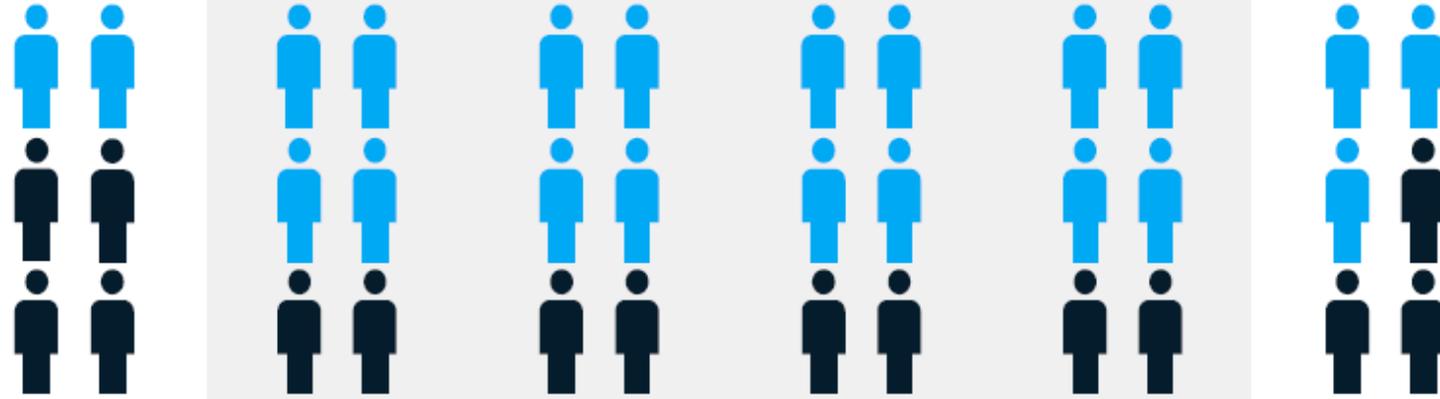
AutoML changes the mix of talent needed.

■ Data-science expertise ■ Business-domain knowledge

Data-science workflow

Business understanding ↔ Data understanding ↔ Data preparation ↔ Modeling ↔ Evaluation → Deployment

Effort today



Effort tomorrow



Heavily affected by AutoML

NORDIC
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CAPITAL
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