IS HR EVOLVING AS 'SOCIAL HR' AND 'PEOPLE ANALYTICS' TO REINVENT ?

Dr. T. Uma Devi, (MBA, M.PHIL, Ph.D.)

Professor - Dept. of Management.

Aurora's PG College, Moosarambagh.

Hyderabad.

ABSTRACT

The field of HRM is reengineering itself to meet the domestic as well as global challenges. It's emerged as 'workforce innovation', more companies experimenting with using social media to brand and market their organizations. After that it's appeared as 'Social HR', companies focus on social dimension, with organizations integrating social technologies into the way they recruit, develop & engage employees. More recently it is emerging as 'people analytics' in ever dynamic business landscape. Google has pioneered in people analytics to make HRM more effective and energetic. How HR emerged as social HR and Google's data-driven approach for people analytics are discussed in this article.

Key words:
Reengineering, Global challenges, Workforce innovation, Social HR, People analytics, and Data-driven approach.

Introduction

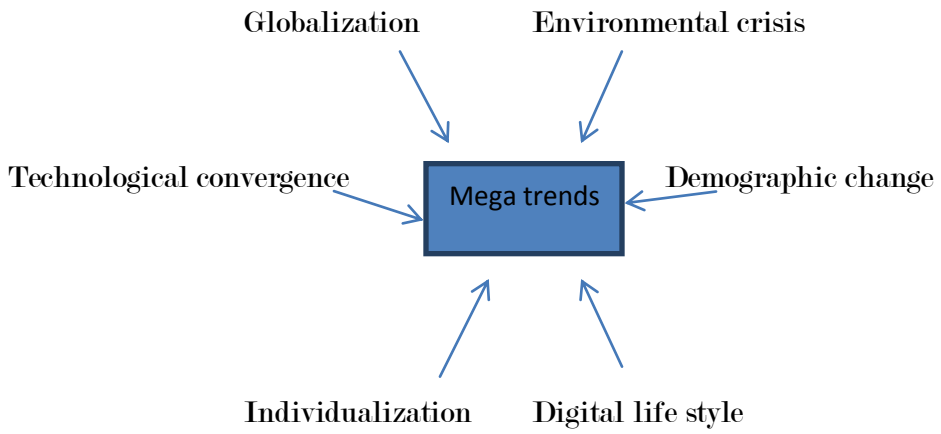
2012 was the year for 'workforce innovation', with more companies experimenting with using social media to brand and market their organizations. In 2013, as 'Social HR', companies focus on social dimension, with organizations integrating social technologies into the way they recruit,

develop & engage employees. 2014 is the beginning of 'people analytics' in ever dynamic HRM field and 2015 is continuously showing its various dimensions in present business scenario.

Hay Group is a global management consulting firm that works with leaders to transform strategy into reality. They develop talent, organize people to be more effective and motivate them to perform at their best. Below are the trends identified by hay group those shaping human resource management presently.

The megatrends identified by Hay group

The megatrends shaping HRM



Global demands and supply factors, environmental changes, demographic variations, changing life styles, people individual perspectives, technological convergence are the megatrends those shaping hrm presently.

Five emerging issues critical for HR

1. A firm's competitive position
2. Decentralization
3. Organization restructuring
4. Technology

5. Organization culture

Five emerging issues that are critical for HR and a company to address in today's world include: a firm's competitive position, decentralization, organizational restructuring, technology, and organizational culture. HR assesses these issues when they are in flux by evaluating the internal and external factors that play a role in the changing environment, in order to address them appropriately. HR is selective in its strategies to increase company performance while remaining consistent with the company's vision and objectives. HR attempts to resolve emerging issues by encouraging proactive rather than reactive behavior, explicitly communicating company goals, stimulation of critical thinking and constant re-evaluation of assumptions, identifying any gaps between current issues and its vision for the future, encouraging management participation, and by identifying any HR constraints and opportunities. The impact of HR's role will indicate if their efforts are successful since they should ultimately help the organization in identifying new opportunities, or help the organization to deal with environmental challenges that they face.

How HR emerged as social HR?

1. Gamification Becomes A Standard Practice

In 2013, gamification continuously made huge inroads in many business processes. With more research, studies, and real-world examples proving the power of incorporating game mechanics into non-game activities like marketing, call center operations and learning and development, a greater number of enterprise processes will start to become "gamified." Deloitte is the company already using gamification, integrating levels, "badges" and top-scoring leader boards into its "Deloitte leadership academy" which has trained over 20,000 executive users since its inception in earlier. As a result of this effort, Deloitte and its clients can boast rewards like engaged employees who are committed to improving at work.

2. The Death of the Resume

Recently, the traditional resume will be replaced by the breadth and depth of one's personal brand. Before interviewed by a potential employer, expect the recruiting manager or hiring manager to check out one or more of the following sources about interviewee: 1) the top ten

searches on their name on either Google or Bing 2) the number of Twitter followers have and last time tweeted, 3) the size and quality of LinkedIn community, 4) the number and quality of recommendations have on LinkedIn and 5) Klout score.

3. Klout Score Will Become A Measurable Currency

In recent blog post on Personal branding, the software company Salesforce.com recently advertised a position that listed "a Klout score of 35 or over" as one of the key 'desired skills' for a community manager position. As the biggest player in the growing world of "digital influence," in coming days, Klout score will find a prominent place on resume and LinkedIn profile, and may even help to get next promotion. Klout calls itself the SAT score for business professionals, measuring the online "influence" of each user. A Klout score is a statistical score from **1-100** which ranks on variables such as: how many people one reach through social media; how much they trust; and on what topics. Recently, Microsoft made a strategic investment in Klout and as part of that deal, Bing and Klout will partner to strengthen social online search.

"Influence has really become the currency of the social web, and Klout is the standard measurement for that," said Klout CEO Joe Fernandez in a recent interview with Brian Solis. And he is right. We may soon all have the Klout app on our mobile phone and tablet so we know instantly how our score rises and falls each week.

4. Personal Branding will be a required Skill

Whether employers today are more inclined to hire an applicant with a high IQ or a high Klout score. The balance will continue to tip toward the latter, as employers, workers, and job applicants devote more time, resources and awareness to the development of personal brands. Companies will follow the lead of PricewaterhouseCoopers, which holds an annual "Personal Branding Weak," wherein a series of training exercises helps train prospective new hires on building their personal brand and increasing their marketability. More forward-looking companies catching onto this type of mutually beneficial training, and use this as a point of differentiation in recruiting top Millennial talent. Finally, expect to see this type of program part of the core curriculum at college campuses, as college advisors finally see job readiness as a serious part of their jobs.

We're moving from a "knowledge economy" to a "social economy," the line is quickly blurring between the value of what we know and who we know. Presently, prospective job applicants are much more deliberate in creating their "elevator pitch" and posting this promotional blur in Face book, LinkedIn and in their Twitter bios. If personal branding seems shallow, think again. Putting value on candidates' networks and spheres of influences makes perfect sense in an age where crowd sourcing the right solution to a problem is just as good as coming up with it oneself.

5. Recruiters will find you before you know you are looking for a job

Not only applicants must know how to use social to their benefit; HR executives in charge of talent management also must know how to use social tools to their advantage. Already, entire businesses are cropping up to streamline the process for them. Start-ups like Entelo and TalentBin help companies find eligible applicants by scanning social networks and spotlighting certain candidates. Their search tools consider the experience and history mentioned in users' profiles, but also their use of the social network. These companies can pinpoint those who have updated their bios lately or often, to determine which candidates are getting ready to get back on the job market. Getting this head start on head hunting is crucial as top corporations' search for top candidates becomes ever more competitive. Companies are looking for which social media tools are to be standard to adopt in their companies.

Software analytics, single stack software and any tool that enables relevant data to be collected and shared between departments with ease and consistency is basically good. It allows everyone to be on the same page, speaking the same language. It's a fantastic Leadership and HR tool. We can see what's happening – the good, the weird, the amazing and the stuff that makes us ask better questions — across the organization and respond quickly.

How Google Is Using 'People Analytics'?

Recently, after its stock price broke the $800 barrier, Google moved into the No. 3 position among the most valuable firms in the world. Google is clearly the youngest firm among the leaders; it has surprisingly been less than a decade since Google's IPO. Most companies on the top 20 market cap list could be accurately described as "old school," because most can attribute their success to being nearly half a century old, having a long established product brand, or through great

acquisitions. Google's market success can instead be attributed to what can only be labeled as extraordinary people management practices that result from its use of "people analytics."

The people analytics team reports directly to the VP and it has a representative in each major HR function. It produces many products, including employee's surveys that are not anonymous, and dashboards. It also attempts to identify insightful correlations and to provide recommended actions. The goal is to substitute data and metrics for the use of opinions. Almost everyone has by now heard about Google's free food, 20% time, and wide range of fun activities but realize that each of these was implemented and are maintained based on data. Many of Google's people analytics approaches are so unusual and powerful, and "breathtaking."

Google's data-driven approach for people analytics

1. **Leadership characteristics and the role of managers** –its "project oxygen" research analyzed reams of internal data and determined that great managers are essential for top performance and retention. It further identified the eight characteristics of great leaders. The data proved that rather than superior technical knowledge, periodic one-on-one coaching which included expressing interest in the employee and frequent personalized feedback ranked as the No. 1 key to being a successful leader. Managers are rated twice a year by their employees on their performance on the eight factors.

2. **The Pi Lab** — Google's Pi Lab is a unique subgroup that no other firm has. It conducts applied experiments within Google to determine the most effective approaches for managing people and maintaining a productive environment (including the type of reward that makes employees the happiest). The lab even improved employee health by reducing the calorie intake of its employees at their eating facilities by relying on scientific data and experiments (by simply reducing the size of the plates).

3. **A retention algorithm** — Google developed a mathematical algorithm to proactively and successfully predict which employees are most likely to become a retention

problem. This approach allows management to act before it's too late and it further allows retention solutions to be personalized.

4. **Predictive modeling** – People management is forward looking at Google. As a result, it develops predictive models and use "what if" analysis to continually improve their forecasts of upcoming people management problems and opportunities. It also uses analytics to produce more effective workforce planning, which is essential in a rapidly growing and changing firm.

5. **Improving diversity** – Unlike most firms, analytics are used at Google to solve diversity problems. As a result, the people analytics team conducted analysis to identify the root causes of weak diversity recruiting, retention, and promotions (especially among women engineers). The results that it produced in hiring, retention, and promotion were dramatic and measurable.

6. **An effective hiring algorithm** – One of the few firms to approach recruiting scientifically, Google developed an algorithm for predicting which candidates had the highest probability of succeeding after they are hired. Its research also determined that little value was added beyond four interviews, dramatically shortening time to hire. Google is also unique in its strategic approach to hiring because its hiring decisions are made by a group in order to prevent individual hiring managers from hiring people for their own short-term needs. Under "Project Janus," it developed an algorithm for each large job family that analyzed rejected resumes to identify any top candidates who they might have missed. They found that they had only a 1.5% miss rate, and as a result they hired some of the revisited candidates.

7. **Calculating the value of top performers** – Google executives have calculated the performance differential between an exceptional technologist and an average one (as much as 300 times higher). Proving the value of top performers convinces executives to provide the resources necessary to hire, retain, and develop extraordinary talent. Google's best-kept secret is that people operations professionals make the best "business

case" of any firm in any industry, which is the primary reason why they receive such extraordinary executive support.

8. **Workplace design drives collaboration** – Google has an extraordinary focus on increasing collaboration between employees from different functions. It has found that increased innovation comes from a combination of three factors: discovery (i.e. learning), collaboration, and fun. It consciously designs its workplaces to maximize learning, fun, and collaboration (it even tracks the time spent by employees in the café lines to maximize collaboration). Managing "fun" may seem superfluous to some, but the data indicates that it is a major factor in attraction, retention, and collaboration.

9. **Increasing discovery and learning** – Rather than focusing on traditional classroom learning, the emphasis is on hands-on learning (the vast majority of people learn through on the job learning). Google has increased discovery and learning through project rotations, learning from failures, and even through inviting people like Al Gore and Lady Gaga to speak to their employees. Clearly self-directed continuous learning and the ability to adapt are key employee competencies at Google.

10. **It doesn't dictate; it convinces with data** — The final key to Google's people analytics team's success occurs not during the analysis phase, but instead when it present its final proposals to executives and managers. Rather than demanding or forcing managers to accept its approach, it instead acts as internal consultants and influences people to change based on the powerful data and the action recommendations that they present. Because its audiences are highly analytical (as most executives are), it uses data to change preset opinions and to influence.

How does the Google approach reinvent HR?

HR at Google is dramatically different from the hundreds of other HR functions that has researched and worked with. To start with, at Google it's not called human resources; instead, the function is called "people operations." The VP and HR leader Laszlo Bock has justifiably

learned to demand data-based decisions everywhere. People management decisions at Google are guided by the powerful "people analytics team." Two key quotes from the team highlight their goals:

- All people decisions at Google are based on data and analytics
- The goal is to "bring the same level of rigor to people-decisions that we do to engineering decisions."

Google is replacing the 20th century subjective decision-making approach in HR. Although it calls its approach "people analytics," it can alternatively be called "data-based decision-making," "algorithm based decision-making," or "fact or evidence-based decision-making."Put two teams in place: a people analytics' team and a people supporting team. The role of the people analytics team is to look at people more scientifically and support the company with insights and analytics. The kind of questions this team would help to answer includes: What are our talent gaps? What makes a good employee in our company and how do we best recruit them? Which employees have got the highest potential? How can we predict staff turnover? Etc. The role of the people analytics team is, as the title suggests, supporting all employees in the organization – from the front line to the senior leadership team. The tasks of this team include: helping employees with their development; ensuring staff engagement; identifying issues with morale and culture and generally looking after the well-being of the people in the business.

Conclusion

The field of HRM is reengineering in order to face the challenges of ever changing business land scape. Business dynamics made human resource management, more innovation in work force, focus on socializing and more recently people analytics. Google has pioneered in people analytics to make HRM more effective and energetic. Let's see in coming days how HRM is discovering itself to meet the business challenges.

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