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Datafication: A Journey or a destination?

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COVER STORY

Datafication: A Journey Or A Destination?

Datafication defines the "rethinking" of what we do around data, and not merely the product and the process. Simply put, datafication of HR is investing in analytics that will help improve an organisation's policies, practices, and processes, and in turn, help HR improve the manner in which it functions.

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"Science is the refinement of everyday thinking." – Albert Einstein

Whenever a new futuristic movie hits the screens we simply stand mesmerized by the gadgets and gizmos that are used by the protagonist and his nemesis. Sophisticated vehicles that include unmanned flying drones, customized wearables such as watches, hats, goggles, spy cams, smart radars, GPS systems, robot dogs, digital briefcases, fingerprint sensors and readers, and wonders in artificial intelligence which is still being worked upon by IBM Watson towards making it a reality. We are not too far from living in a whole new universe of optimized James Bond devices powered by big-data predictive analytic technologies that primarily comprise of artificial intelligence, modelling, statistics, and pattern detection algorithms to study mounds of data to identify and predict behaviour patterns and help in planned business decision making.

Datafication, the newest buzzword in the business and the HR corollary, in simple terms means turning an existing business into a "data business", and Josh Bersin, Principal, Bersin By Deloitte has rightly said, "think about it this way, Facebook has "datafied"

it was focussed only on business data. However, organisations today are able to dig deeper into people data. HR needs to review both the internal and external metrics, but often, one of these gets overlooked. HR is historically prone to searching for data from

outside the organisation before it examines the happenings inside. HR is quick to put man hours in big numbers into comparing its organisation against norms for its industry or its competitors. However, a more significant question that often gets



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our friend network. Google has "datafied" our search and information retrieval. LinkedIn has "datafied" our professional connections. Twitter is "datafying" news and real-time information. Ola and Uber is "datafying" our transport, GE is "datafying" all its engines, power plants, and machines. Degreeed is "datafying" our learning and development needs, and Netflix is "datafying" our entertainment choices.* Each of these businesses is harnessing what we now call Big Data to store, analyze, and monetize the information around its business.* Datafication defines the "rethinking" of what we do around data, and not merely the product and the process. Simply put, datafication of HR is investing in analytics that will help improve an organisation's policies, practices, and processes, and in turn, help HR improve the manner in which it functions. It is therefore essential to explore why HR needs datafication, the data points that must be under the HR radar, the best way of acquiring them, the possible roadblocks that might make the journey a bumpy ride, and finally, what do we do with that data, is datafication the intended destination or is the journey bound to continue.

Datafication in HR
Data-driven decision-making as a concept is not new. But until recently,

"Datafication is increasing the ability to use talent analytics to understand job seekers, employees, HR practices and processes. It helps a company recognize the contributing factors that are impacting their organisation, and gives competitive advantage. Paperless onboarding could be one of the most crucial steps towards the digitization of the HR industry. Onboarding is a long affair where the employees have to fill the same details in 6-7 different forms. With today's technology, new hires can complete all the paperwork in 15 mins. Through datafication, companies can update the database of new/ eligible candidates for recruitment. It becomes important for organisations to measure how much effort is put in terms of getting a candidate. In today's globally competitive environment, borders that limited company innovations and strategies don't apply anymore. To succeed in such a scenario, companies are creating not just innovative products, but also distributing them via unconventional business strategies. There is a need to invest time to explore new technologies such as AI, Robotics etc. for the hiring processes that will help build efficiency in delivering a faster turnaround to hire quality candidates."



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missed out is, does that data really apply to your organisation? Here is a very basic example: The standard average for the number of HR professionals needed in an organisation is one for every 150 employees. But does that take into consideration the very approach of the organisation as to how HR is organised and how it functions. With the ability to link HR data to organisational data, HR is now able to not only store information, but utilise it in a pro-active manner to improve operational management, better align goals, be agile, and measure it in real time. Meanwhile, if HR sees that it is measuring incorrectly, it can detect this in real time and ditch the measurement tools being used by it and adjust accordingly.

Power of HR Datafication for a quantified organisation

Decision Support: In the HR universe, one of the most widely searched terms is ROI (Return on investment). The right data can get that decision support - programmes that HR leaders knew in their gut could work can actually be tested. Traditionally squishy areas of HR leadership that are hard to measure might actually be proven when analysed with data and patterns.

Scrutiny: The downside is that HR leaders will be under increased pressure and scrutiny about the types of programmes and practices they advocate. Everything from hiring to

benefits, administration to performance reviews, and workforce management can become accessible organisation wide.

Opportunity: With better access and thereby better interpretation of data, HR becomes sufficiently competent to undertake newer roles in leadership within the organisation. Datafication of HR will require leaders who are ready to understand and implement what they see from the numbers; it could mean better executive positions for HR leaders who are not afraid to rely on that data.

What has HR Datafied?

Businesses spend 50-60% of their total

What has HR Datafied?

- Data-backed Hiring and Recruitment
- Data-backed Promotions
- Data-backed Retention
- Data-backed Learning and Development
- Data-backed Compensation and Benefits
- Data-backed Employee Engagement
- Data-backed Reward and Recognition

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