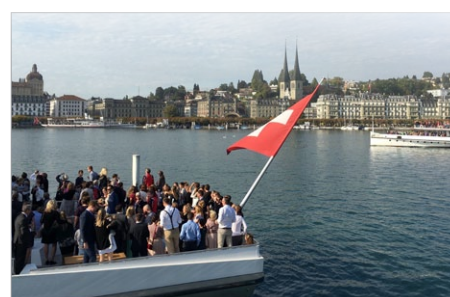# Newsletter

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Welcome – from EAPM President Lucas van Wees

Lucas van Wees, EAPM President

The new Board, elected in October 2017 in Paris, took up its function on 1st January, and I am delighted to further modernize the EAPM Agenda together with Dana, Katherina, Raffaele, Max and Bob and supported by Barbara as our international manager – all extremely committed EAPM colleagues. My aim is to finalize, as soon as possible, the discussions on internal processes and continue to shift the focus onto external activities that are visible to our members.

The Board met in Cyprus at the end of January and agreed a range of ambitious objectives and projects. One is that we would like to make an effort for EAPM going digital. Last month, Barbara sent you all an invitation to join the virtual collaboration platform 'Slack'. I would like to encourage all of you to use this platform as your standard exchange tool within the EAPM and post your queries and discussion points there instead of sending 'traditional' emails to Barbara. This refers in particular - but not

exclusively - to the subcommittee leads who are invited to use 'Slack' to work together with the committee members on their projects.

The Board has approved a range of budget requests from the four subcommittee leads to help move forward various highly interesting projects. Wilson and the scientific subcommittee have made good progress with the international HR survey piloted by the UK, Romania and Greece, and have already finalized the survey items. Indeed, they have showcased extremely well, how cross border collaboration can work- with a lot of virtual collaboration via email and WebEx, enriched by one physical meeting to ensure that everything is fully settled for the key stages of the project.

Other interesting projects that have been approved for 2018 are the international HR Day, to celebrate our HR profession. A number of countries have shown interest in supporting such a day. Our international committee has been asked to deliver a concept which has the potential to be rolled out through Europe. Our event committee will work with our Slovenian colleagues on the conceptualization and design of the next EAPM Congress with the objective to make it more "European" and to increase the international participation. This should benefit the next EAPM Congress which will take place in mid-April 2018 in Ljubljana, Slovenia. Our membership committee will work on delivering virtual meetings, subject to our digital strategy and tooling, with topics which are of interest to our members.

The progress on these projects will be on the agenda of our next Board meeting in Vilnius in July

where we will also prepare our delegates meeting in mid-September in Lucerne. From now on, we've decided to design our Delegates Assembly in such a way that it will be possible for our subcommittees to physically meet at least once a year and continue their work on the projects. In Lucerne, the Delegates Assembly will also vote which country will take over the Secretariat General in the years to come and also the Swiss nominee who will take over, as treasurer, from Max Becker from January 2019 onwards. The election process for these positions was recently launched and are in accordance with our new approved Statutes.

In June, the Board of the WFPMA will meet in Chicago, in conjunction with the World HR Congress. At this Congress around 16,000 participants are expected. There will be a change of the Presidency, as Leyla Nascimento from Brazil will take over from Peter Wilson from Australia. We've been asked to nominate the Secretary General and our Board has proposed Bob Morton who has been happily accepted by the WFPMA Board. Bob will pursue this role, next to his position as Vice President of the EAPM.

With your President as Member of the World Board, and Bob in his new role, we're well positioned to raise and strengthen our European voice. In Chicago also the next host country for the World Congress in June 2020 will be announced. In our upcoming World Board meeting we will discuss a number of initiatives such as a potential strategic partnership with UFHRD (the University Forum for Human Resource Development) and the creation of a Learning and Development Group to focus

on this key area of activity in the development and training of the future workforce.

There are also a number of other items which could be of interest to you. Poland has shown an interest in becoming the 32nd Member of the EAPM. Max has reported to the Board on a recent visit to our Polish colleagues and we will further discuss their potential membership in our upcoming Board meeting in Vilnius. Our Macedonian Association is eager to take part in a European study on 'innovative work-live balance strategies' which will be endorsed with a letter from the EAPM President on behalf of the EAPM. Recently a French magazine interviewed Lucas on "well-being at work". Once published we will put it on our EAPM website for further reference.

Let me conclude with the following words as spoken at my acceptance speech during our 28th EAPM Congress on October 27th in Paris.

Like our member associations, the EAPM is devoted to the growth, relevance and impact of the HR profession in Europe. The current and future challenges in Europe and its member states require a modern approach to People Management. The EAPM and its associations, representing 250.000 HR professionals around our continent, is well placed to voice, inspire and lift our profession to address challenges as the changing nature of work, the workplace and our current and future workforce. As we all work and live on the same continent, we all share the same history and future. Humanistic traditions, democracy and the basics behind our institutions were founded

in Europe. Quality of life, sustainable development, equality and a sense of community are all European features. As such, we are still a beacon of hope for humanity. The very nature of the HR profession on our continent is rooted in this European tradition. Rightfully so, the motto of the EAPM Congress in Paris was "European HR, new Landscapes". As Europeans and HR professionals, we have the moral obligation to be optimistic. Let's embrace the challenges ahead and make Europe a better place, for ourselves, our children and the world. Therefore, I wish you all the best and lots of inspiration and energy with the endeavours in your country and at your workplace in raising the bar of our profession.

Lucas van Wees
President of the EAPM

EAPM Board meeting in Cyprus (January 2018)

HR Analytics

The theme of focus in this issue of the EAPM Newsletter is HR Analytics. In one sense Analytics is simple and straightforward; it as about information and data. Nothing new here – those responsible for people management have been working with data on employees for ever. What is less straightforward is the new capabilities that technology provides to harness and utilise large quantities of such data.

Today, Analytics is a discipline which mathematics engineering, computer science, decision making and (mainly) quantitative methods to source, organise, analyse and make sense of increasing quantities of data. And it here that when we come to focus upon HR and Analytics I think we have rhetoric-reality gap.

Increasingly the hype is that Analytics is the 'must have' capability for the HR profession. A key element in the rhetoric is that Analytics will provide the pathway to developing and strengthening the strategic influence of the HR function. However, even if we accept that HR Analytics looks promising (and this in itself warrants some critical consideration) the reality is that the profession is struggling to come to terms with what it means and how they need to respond. The research evidence – some of which is highlighted in this issue - suggests that in terms the capabilities needed HR has a steep learning curve ahead. Empirical examples of HR Analytics in practice - detailed case study material which explores what sort of data, how

Rick Holden, EAPM newsletter editor

collected, how analysed, how made use of to make predictive decisions) - are few and far between. This issue of EAPM News is no exception here. And perhaps we should not be surprised by this given the question of the competencies which are required to make effective use of Analytics, rather than just producing nicer looking bar and pie charts.

One interesting development (see the reviews of the articles by King and Angrave et al - 20-21) are those organisations who have sought collaboration with academic institutions to help address the challenge that HR Analytics presents. This is potentially of enormous value – enabling HR professionals develop a relationship with Analytics that is not a slavish following of a managerialist agenda and set of formulae, but one that can embrace, critically, issues of purpose, values and ethics. Does this extend I wonder to the curriculum for professional HR education? What is happening here? I remember doing statistics as part of my Dip PM 40 years ago but has this been replaced by HR Analytics? And if so, research evidence on its impact and transfer to the workplace is much needed.

There is a certain serendipity in the timing of the issue coinciding as it does with all the media attention being devoted to Facebook and Cambridge Analytica. Not being a Facebook user I struggle somewhat to follow the precise relationships between Facebook, Cambridge Analytica and the election of Donald Trump and the Brexit referendum. But nonetheless it brings home to me two things. First the power of 'big data' and, secondly, the inextricable link to a huge bundle of ethical and data protection issues.

It is serendipitous because the attention being given to how personal data was used by this Analytics firm may help provide the awakening within the HR profession of both its strengths and its dangers. And perhaps also there is a silver lining to the fact that HR is really only at the starting gate as regards Analytics. It may mean that as HR data and analytics does indeed begin to penetrate the thinking of HR professionals more broadly we can ensure that its application in the workplace is implemented in a way that champions personal integrity, openness, transparency and fairness and is utilised as a force for good rather than control and manipulation.

Dr Rick Holden,
Liverpool Business School

HENRY, Finland

Untapping the Potential of Analytics in HR

by Mari Laukkanen, Sonja Ruohonen, Antti Sankola, Terhi Mäkelä, Accenture, Finland

If you think about HR data and analytics, what comes to your mind? Maybe your first thought is headcount, the time to hire, amount of sick leave taken, average salaries or other descriptive HR reporting outputs. However, HR analytics is much more than that. The key in HR analytics is the aim to provide meaningful and business relevant insight from the human capital.

Figure 1, below, illustrates some of the HR areas where analytics can be applied. We at Accenture believe that if HR analytics moves towards predictive and prescriptive forms of analytics, there is a big untapped potential for business and HR leaders to leverage in decision making and building future growth.

Globally, one of the biggest opportunity areas to use predictive and/or prescriptive HR analytics is the Future Workforce. According to an Accenture Strategic Workforce Planning Study 61% of executives say they are not well prepared to change the workforce skill and job mix to transition into a digital business. This is partly because strategic workforce planning today is rather static, sporadic and spreadsheet intensive — if it happens at all. Furthermore, whilst many organizations state they believe in the importance of People Analytics few feel skilled in it.

In cross-industry interviews conducted during 2017 to a group of HR leaders in the Nordics, we discovered that there are three main challenges in adopting advanced analytics into the daily HR management toolkit. These "mental"

blocks were very similar in every HR leader's statement:

• **Block no 1:** "We don't see any direct added value from analyzing people data, and thus we cannot justify the amount of work needed when we need to explain this to our leadership board."
Our response: Doing nothing will surely cost more in the long run as top talent will be drawn to companies that have a better understanding of their people. Begin with small goals but aim high to get buy-in from the leadership. Changing the mindset of the organization and the leadership will be a journey where he who dares to take action wins.

Block no 2: "We don't know what to do? What have other companies done, could we discuss with someone who has already done this?"

	Workforce planning	Recruitment	Rewards	Engagement	Retention	Culture & Change
Descriptive	As-Is headcount status	Recruitment cost and lead-time	Total reward spend trend	Engagement level in teams / units / regions	Annual attrition trend	What are the key culture elements now
Explanatory	What contributes to HC and skill gaps	Where the most successful profiles are	What employee pay components exist	Engagement changes between years	Strongest indicators of employees leaving	Reasons for the change starting point
Predictive	What the future resource gaps will be for critical roles	Which scoring method predicts best the quality of hire	How the perceived value of rewards can be maximized	What the drivers of high engagement are	Which employees are most likely to leave in a year	What is the change journey like for a team
Pre-descriptive	What optimal staffing mix is	What the ideal ratio is for candidates vs. demand	What the benefit of changing reward model is	How the engagement impacts on employee productivity	How to proactively address attrition	How we can positively build the desired culture

HENRY, Finland

Our response: Make the HR analytics about a concrete business case/area that will be a natural starting point for the company and benefit the business. These could include e.g. how to retain the top talent in the company for longer, being able to predict which recruits will produce the best performance or what actions will increase productivity. Don't forget that knowing what does not work or disproving a perceived connection/conclusion can also be a meaningful analytics outcome. Think of the money you would or could have used supporting actions that do not show to have real benefits.

• **Block no 3:** Low HR tool maturity. HR leaders feel they do not know very well what data they really have. Even if that is known, the data is fragmented or dispersed in different systems, and HR leaders do not feel equipped to start doing more advanced analytics.
Our response: Analytics does not necessarily need to be complex. There are several lightweight tools that allow you to start with a trial run. Begin with simple and quick first analysis, and see what are the infrastructure development needs that results indicate, if any. You don't need to have the latest tool-set coverage for the whole of IT. All you need in the beginning is a knowledgeable data scientist, any analytics tool and access to valid data.

There are great examples available from global tech companies like Google who have built strong HR analytics capability leveraging external data sources. There is already proof (see Ed Note below) around the world that smart usage of employee data for the good of the company has a major effect on people's engagement, on their effectiveness as well as having the capability to improve business conditions or the bottom line.

Especially in the context of constant, fast pace and even disruptive changes organizations face today, a strong change analytics approach helps leaders to take the right actions when leading change and the performance of their workforce. Accenture's organizational analytics

approach, Transformation GPS (See also Figure 2) is based on over 20 years of research and a benchmark database of more than one million individual change journeys. It has been used successfully over the years to ensure fact-based approach on leading transformations successfully across cultures, industries and change types.

All in all, trials and implementations of advanced HR data analytics to produce meaningful insights for business are still quite rare. Here's what we propose to get started:

accenture Transformation GPS

● **High Performance**　　● **OnTrack**　　● **Unsustainable**　　● **Off Track**
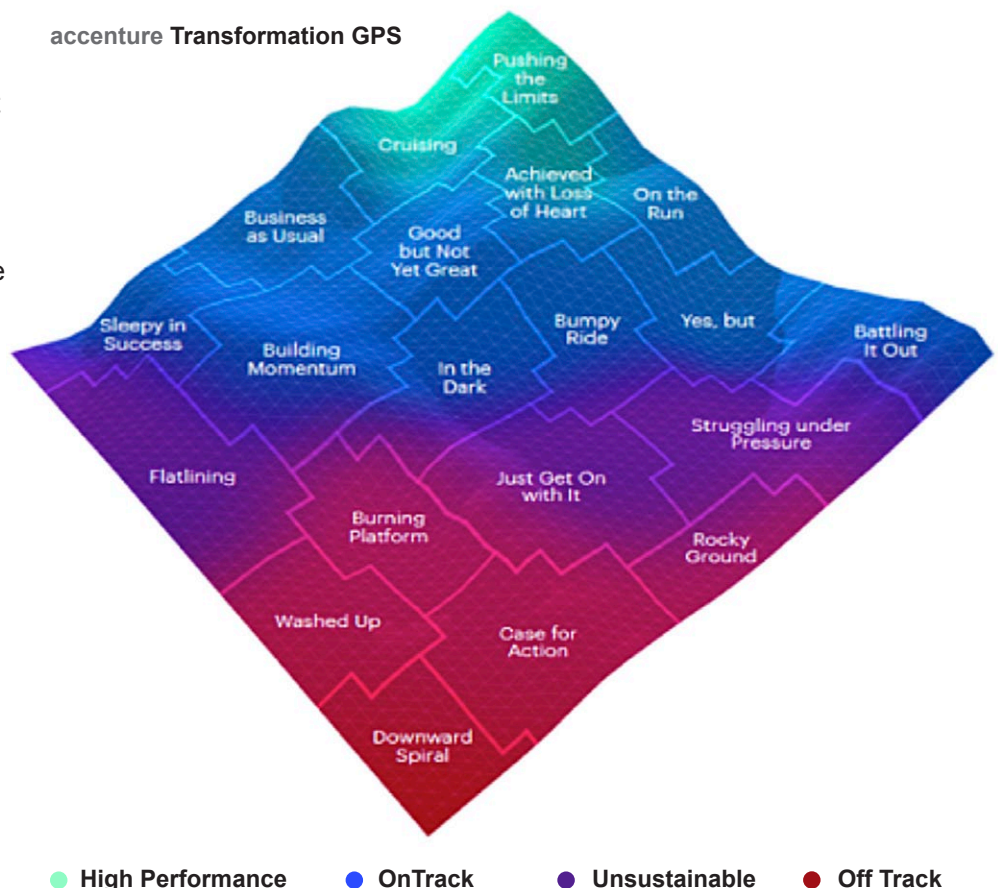
HENRY, Finland

1. Find a case that supports business and top leadership priorities
2. Understand what kind of data you have available
3. Include Data scientist(s) to your team to design the model
4. Leverage suitable new digital analytics tools
5. Build skills to interact and translate the outcomes with business management

The next step is to build HR analytics capabilities, including not only people with analytics but also with interpretative and change leadership skills. Have courage to leverage liquid and cross-organizational resourcing models to build a strong analytics culture in HR. Equally important becomes the data quality and veracity as Accenture Technology Vision 2018 highlights (see, for example, Figure 3). After all, even the best analytics systems and teams are only as good as the data they crunch.

Data Veracity
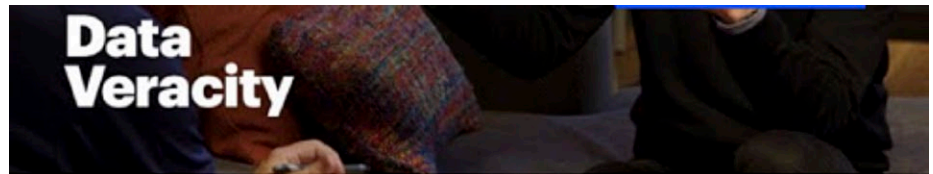
82% of executives responding to our Tech Vision survey report their organizations are increasingly using data to drive critical and automated decision-making, at unprecedented scale.

79% of executives agree that organizations are basing their most critical systems and strategies on data, yet many have not invested in the capabilities to verify the truth within it.

Ed Note:
The authors refer readers to the following sources regarding the business benefits of HR analytics and the view that HR can create actual positive financial business outcomes
- *http://epub.lib.aalto.fi/fi/ethesis/id/14242*
- *Fitz-enz, J., Mattox, J. (2014) "Predictive Analytics for Human Resources", Wiley, NJ USA, pp.172*
- *Paauwe J., Guest D.E., Wright P.M. (2013) "HRM & Performance, Achievements and Challenges." Wiley, West Sussex, UK. pp.250*
- *Miranda,S. (2005) "Creating the indispensable HR function", Strategic HR Review, Vol. 4 Iss. 3 pp. 32-35*

Georg Lange   **Thomas Faust**   **Sibylle Schempf**

HR Swiss

Towards HR Insight Management

by Georg Lange, Thomas Faust and Sibylle Schempf

In this article the authors describe why Big Data is of great importance for HR, what can be achieved using Artificial Intelligence (AI) in HR Analytics and Reporting, and what it takes to develop this area into an HR Insights Management function.

Large investments over recent years in creating Big Data infrastructure have allowed companies to improve their effectiveness. With all the new possibilities this has created C-suite leaders, though, remain dissatisfied with the operational insights gained from Human Resources (HR) reporting and analytics or the yield in strategically valuable information. The knowledge about the advantages of Big Data application – at this stage well established in manufacturing, sales and research and design – has not yet reached the field of HR. HR Reporting and Analytics still concentrate mainly on using small data. As a consequence, reports generated and displayed in dashboards are often based on consolidated information that at times can be out of date, and at worst inaccurate, by the time it reaches the users. In fact, organizations at this stage are happy when, at minimum, the FTE and headcount information or sickness rates are accurate, and when there is not too much a difference between the

systems used by Human Resources and Finance.

To address the situation, more investment and extensive redesign of processes are required. There is the need for, on the one hand, the development of the HR reporting and analytics sector into a HR Insights Management function and on the other the consolidated visualization of all employee-related information and the optimization and implementation of perfectly manageable HR processes. From an investment perspective the costs are low in comparison to the value created though perseverance and commitment do need to be high.

The core of HR Insights Management should be the creation of significant career, people management, and development opportunities, which reflect the growth or contraction, changing scope, range and the competitive strengths of an

organization. To decision makers the insights are expected to provide transparency through

• analyses for reflections on business´ decisions and compliance checks on past transactions,
• establishing the foundation for operational workforce planning including total cost of operations calculations, and
• improving risk management as the performance of simulations of future business scenarios uses strategic workforce planning assumptions and measures.

An HR Insights Management designed to achieve these objectives looks to maximize the value of data and deliver the messages critical to organization´s success. To build and operate an HR Insights Management function, or to transform an existing reporting and analytics capability, takes several steps which reflect distinct levels of maturity in dealing with, managing and using data (Figure 1).
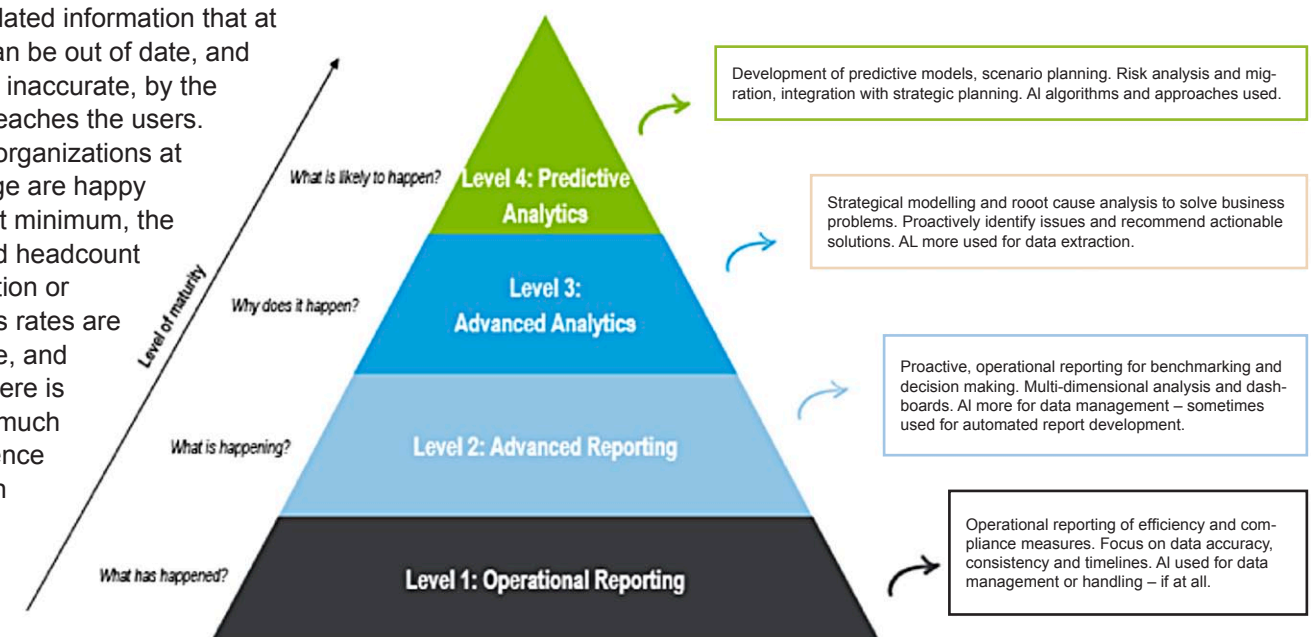

Figure 1

Development of predictive models, scenario planning. Risk analysis and migration, integration with strategic planning. AI algorithms and approaches used.

Strategical modelling and rooot cause analysis to solve business problems. Proactively identify issues and recommend actionable solutions. AL more used for data extraction.

Proactive, operational reporting for benchmarking and decision making. Multi-dimensional analysis and dashboards. AI more for data management – sometimes used for automated report development.

Operational reporting of efficiency and compliance measures. Focus on data accuracy, consistency and timelines. AI used for data management or handling – if at all.

HR Swiss

From small data to smart data by grouping employees (using RPA)

To get from Level 1 - operational reporting - to the next level (Level 2, Figure 1) where diagnostically driven reporting helps to identify drivers of an employee's behaviors and development, small data needs to become smart data. That means that information needs to be collected, analyzed and interpreted in a consolidated manner. The following is an example to demonstrate this. A male employee, less than 29 years old, who married and relocated recently, asks for a rebate coupon to buy a new car. It is very likely that he will ask for a paternity leave within a short amount of time. For the organization, for the employee as well as his superior, this insight would provide lots of opportunities to design a set of actions to create a win-win situation, increasing employee satisfaction and reducing potential risks for management.

Turning small data into smart data entails the monitoring of information on an employee collected and updated on an ongoing basis in order to identify possible correlations. According to specified criteria the new data generated enables the relevant employees to be added to the group built around the specifications. In the above example the newly married employee would become part of the group, e.g. "Highly likely to be temporarily unavailable for 3 – 6 months". In a large sales organization, or a department with cross-functional teams, a paternity leave could be covered easily. However, it may have a huge impact on a Research & Design department. Experience shows that the definition

of frameworks and criteria for correlations and groups need quality-time, especially when the objective is to aggregate information to yield meaningful insights for business leaders. A Fuzzy-Logic approach, which can be easily integrated using Python or R, would be of great benefit here.

Turning small data into smart data may not require a system switch or an increase of data points at this point. A data point can be the name, e.g. or another street. However, many organizations have distributed their data in several systems or have outsourced certain HR activities. While it may seem beneficial to consolidate all systems in one, this is rarely an option as the number of clients using Workday and SAP PO/PI concurrently convincingly demonstrate. A possible solution would be Robotic Process Automation (RPA). For a reasonable financial investment (and which reduced significantly during last year) it enables data crawling across all systems. It also prevents an organization "to trust" assumptions, which according to the authors´ experience has led to costly rectifications.

The information collected would not only feed one of the popular HR analytics tools, but would also be used as a basis for an already mentioned Python or R application, which can also support the digitalization of workflows of older HR systems.

Delivering advanced analytics

The next step is to deliver advanced analytics (Level 3, Figure 1), that

is derived from data generated through diagnostically driven analytics. This can be applied in problem anticipation and solving as it assists in, for example, predicting sickness rates caused by certain circumstances, or simulating circumstances which could have an adverse impact on production or service delivery. The latest methodological advances enable the usage of real and sourced as well as generated data, which aren´t big data but reflect a decent increase in the number of data points. One possible scenario would be airlines combining sickness information, obtained from their flying personnel through traditional and standard procedures, with information on cabin environment data collected during development trials of a new aircraft type. Insights derived from advanced analytics will always lead to a better working environment and a significant cost reduction – in the given example by reducing the head count of the team per aircraft deployed. In this case HR Insights Management could find out which aircraft type would allow further reduction of head count per aircraft and generate impact on business results. Business leaders can integrate this additional information when making their decisions about selecting a new aircraft type.

Automation of advanced analytics should be avoided as present smart data meets different types and sets of new and extrinsic information, and needs to be rehashed in a meaningful way to create insights for the organization and its leaders. Business partners and data scientists are needed who truly understand the environment, the culture, and the

HR Swiss

requirements of an organization as well as the right tools and systems. This step should not be missed, however, because the learnings derived enable the next level 4.

Deploying Artificial Intelligence in Advanced Analytics

Soon, however, the sheer amount of extrinsic data becomes too large to be handled alone by deploying Artificial Intelligence (AI) based tools and systems. An AI system can be trained to analyze an unlimited amount of information to derive insights or even reach decisions through its analyses. It further reduces the risks associated with human based advanced analytics approach by eliminating bias and the substandard results from reduction in attention and observation. This allows an organization to gain data from various additional resources, e.g. social media (Level 4, Figure 1). In the example, above, an AI based system could know that the father has looked for classes to change diapers – an immediate indication for a possible paternity leave. If the father subsequently asks for child benefits the system could independently and quickly approve them because his fatherhood is seen as true.

A scenario derived from the airline example applies data from social media where cabin crew members of a different airline praised the working conditions on a particular airplane. Identifying what cabin crew members of the other airline consider valuable benefits in terms of health or sickness would yield valuable information going forward.

Some readers may be alarmed about the amount of data an employer will have on his employees. In fact, there have been discussions already between a large car-manufacturer and its workers' council, which questioned the practice of collecting data from the geo-location data generated by company cars allowing the organization to monitor the movements of employees' with a company car.

For most of "us" Smartphones and other constantly connected devices have become an integral part of everyday life and it is common knowledge that every action with such a device gets tracked, analyzed and used for advanced analytics using artificial intelligence. Eventually, the workers' council yielded as the benefits generated through having a company car outweighed the concerns about being tracked by their employer! HR will have a crucial role in managing new opportunities so the company as a system and the employee as individuals can benefit from the positive changes.

Benefits of HR Insights Management

Another area to benefit from major improvements is Organizational Health Management as we consider a scenario in which the employee of an organization agrees to share some of the health-related data from her smartwatch.

This information could prove to be vital to future operational and strategic workforce planning and is remains yet to be explored. Employees in return would receive valuable information about work and career development, derive benefits from individual health information and trust that propositions are based on unbiased facts. In the next years working conditions will change dramatically.

An AI based system like the one described will help as the working world is coping with the changes to come (Figure 2).
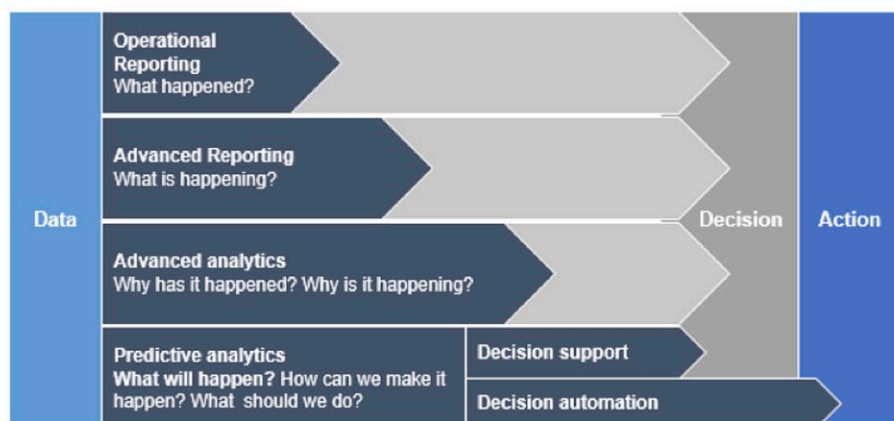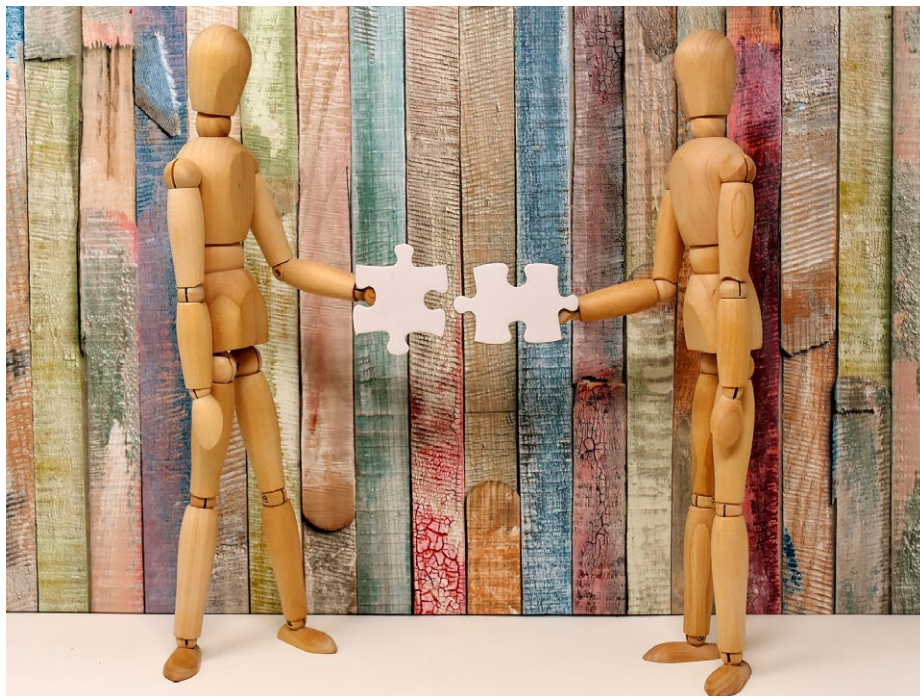

Figure 2

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AI based predictive analytics will increase the effectiveness of HR as it lives and breathes with big data from appropriate internal and external sources. It is not far from what the so-called Internet Giants have been doing for some time now. To demonstrate the authors provide the following example for what they consider to be a perfect recruiting story:

A position needs to be created and filled because AI-based predictive analytics made the recommendation in response to the analysis of recent business development data. The AI-based RPA-system identifies three perfectly matching candidates, one internal and two externals. Business leaders together with business partners agree on the business and the hiring strategies.

Active Sourcing was able to attract all 3 for an interview. The data, their verification including reference- and background checks are performed using the AI-based RPA-system and the questionnaires for all inter-viewees are prepared by the same system. Together with an intensive AI-led monitoring during the recruiting process, one candidate is clearly identified as "the one". The salary plus benefits are calculated using the AI-based RPA-system as well in accordance with organizational policies and meeting the candidate's expectations. The whole process from the idea and the requisition request to the actual hiring would have taken at most two weeks.

The examples and Figure 2 show the impact an AI based Insights Management can have. Its scope is large enough to provide an automated decision-making tool for most HR related topics which include recruiting, trainings, individual career moves, or staffing. It helps to establish a sound information base and reduce the cost of resources in charge of performing administrative and decision-making tasks. To ensure company and industry wide acceptance of AI-driven applications in HR it is important that HR Insight Management address the needs of all stakeholders inside and outside the organization.

Ed Note

This article is based on the extensive experience the authors possess in the field, and the scientifically based studies Georg Lange performed with the University of Applied Sciences in Zürich, Switzerland. These will be published in greater detail in the book "Digitalisierung des HR" released in April 2018. The authors are happy to exchange their knowledge with readers and can be reached by mail: k.georg.lange@me.com.

About the authors

Georg Lange, MBA, MAS HR, is a seasoned global HR Executive who pioneered Digitalization, Blockchain, Artificial Intelligence, and Predictive

OHE Hungary

Rethinking Co-operation with Network Analytics

by György Sági, Bondweaver Network Analysis Ltd

"We cannot manage what we cannot measure." Peter F. Drucker

This article identifies four ways to increase organizational efficiency with network analysis. It draws on an analytical tool / software called Bondweaver Network Analysis

The constant urge to adapt motivates - not surprisingly - organizations to reorganize and continuously rebuild themselves. Organizations of the future restructure their hierarchy system into a network of teams.

There are two structures (Figure 1) operating simultaneously in every organization:

1. artificial
2. organic

The planned and created structures are artificial. It includes the organization hierarchy, supply chains, project teams. These are designed officially by its leaders and owners. Natural structures are created the members of a community (e.g., employers and employees). Many factors have an impact on forming natural structures, of course.
Just a few to mention: artificial structure, organizational culture (power distance, individualism vs. collectivism), conformism, the ratio of genders and generations, etc.

These two networks create the reality together. So, the future challenge is to synchronize these networks according to the digital age.
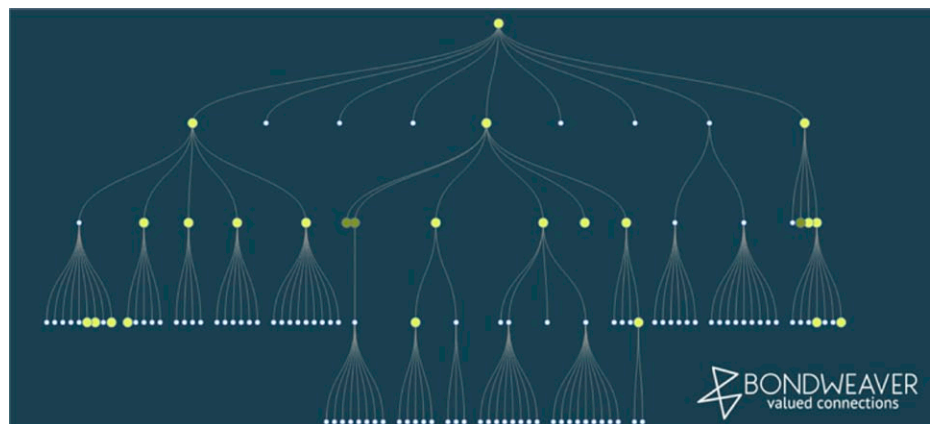

Figure 1: Artificial vs Organic structures

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Organizational Network Analysis (ONA) can visualize genetic structures, creating the opportunity for synchronization.

"I know many methods, but I consider network analysis is the best of all because it shows the reality."
Gergő Lencsés,
General Manager, GE Power`s Manufacturing Site, Hungary

ONA analyzes connections between employees within an organization. These relationships could appear between individuals, groups, units or departments, in any combination. ONA focuses on interpersonal relations instead of primary personal attributes (qualification, talent, position in the hierarchy, etc.), creating another dimension to understand the operation of an organization. It has a much more substantial significance than we would think in the first place.

"The efficiency of communities depends on the participants' interactional network as much or more than it depends on everything else, such as combined knowledge with experiences, with IQ, with skills, etc." Alex Pentland, MIT.

If there is still any doubt, just think about graphite and diamond. They have the same component (atom C). The only difference is the structure of atoms, which gives entirely different traits for each material (graphite is soft and good electrical conductor, while diamond is hard and bad electrical conductor).
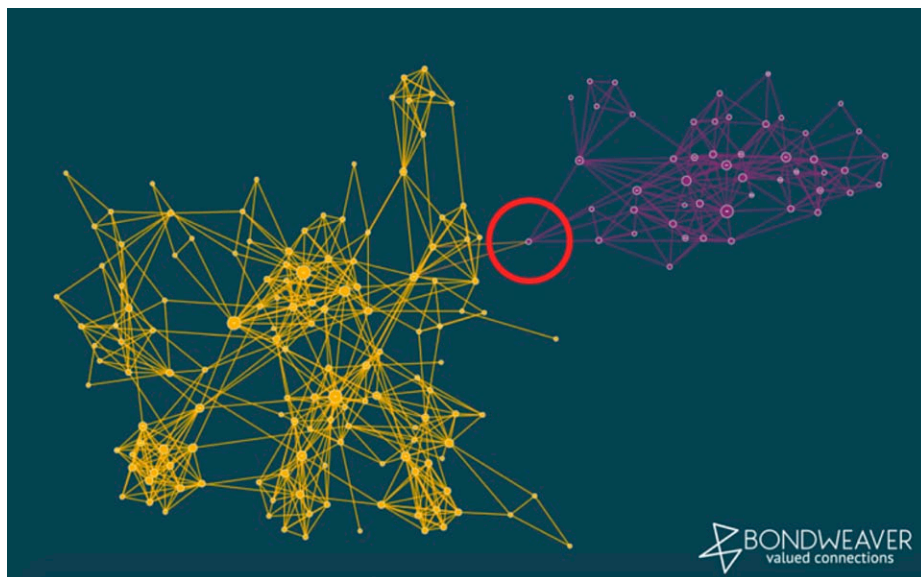
Figure 2

Four ways to synchronize structures

1. How does the natural structure aid the artificial structure?
The illustration in Figure 2 is a communication network between sales and customer services (yellow – sales, purple – customer services). From the customer service side, there is only one connection. As a result, salespeople had almost no information of customer complaints.

In another similar company, a supply chain was analyzed with a similar method. A couple of years ago I was investigating the customer service's work of an organization with my colleagues. The management ordered the analysis after a specific news article. A customer had turned to the media after getting fed up with not receiving an answer for 30 days. In a network showing organizational workflow, there was a 3-step distance between customer service employees and people receiving customer complaints. We also found out that the average reaction time

was 5 and a half days per step (3 steps in + 3 steps out) It means that a customer complaint was answered by the company in 33 days. The analysis showed precisely where the communication jams were, and also where and what to change.

2. There should be harmony between formal and informal power holders.
The Bondweaver Analytical tool shows which employees are considered as experts, who are inner consultants, whose opinion creates awareness, who are mentors and who are active in development (talent).The first thing to do is to check the 0-1 rule, which means leaders should have a key role and should connect to more key people as well. Furthermore, the dispersion of key people within the organization becomes visible. To achieve a more efficient management board, the influencers of influencers should be the members of the management board.

OHE Hungary

3. Does the existing structure correspond to the organization's function?
Different tasks (like executing well-known tasks, constant problem solving or innovations) require different structures.

To establish the perfect structure for the function, we must know what's there. ONA can also help in less complicated cases, like starting a new project. With BondWeaver Systems we can quickly check how the chosen workers connect to each other. It aids us what to do to begin the project successfully.

4. Revealing inhibitory effects on personal effectiveness.
In research started many years ago, The Gallup Organization searched for the answer to a simple question: "What do the most talented workers expect from their workplaces?" (First, Break All the Rules, 1999). They identified 12 factors, including:

- does he/she have a friend (based on Gallup research) ?
- has he/she received recognition in the last seven-day ?

BondWeaver Systems reveals those workers who don't have any friends within the organization and those who don't receive recognition. We can also see those who are overwhelmed or underloaded with their relations. Moreover, we get information about such factors that first reduce commitment and performance, and later lead to leaving the organization. A bad relationship with your leader is one, for example. This analysis does not just reveal a bad employee-leader relationship, but also shows where to take actions. If both the leader's and the employee's network seem healthy, then the chemistry is bad between the leader and the employee. It then may be advisable to move the employee into another group. When only one's network is problematic, you should develop the questionable person.

By using an ONA tool, the organization can receive such information accurately and incredibly fast, for which earlier you had to wait for years and gave you more likely the wrong information.

A BondWeaver Systems identifies and visualizes real structure among people. Characteristics of collaboration and malfunctioning (e.g., silos and insufficient information flow) become visible. Network visualization and data-driven predictions support managerial decision making, planning of change management processes, and strategy development and execution.

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Unai Sáez Prieto

AEDIPE Spain

Industry 4.0: a new HR agenda?

by **Unai Sáez Prieto**

Industry 4.0 and new technologies have just arrived, impacting our businesses due the digitalization of our daily life. A lot of changes are happening, which requires a high level of engagement to cope with the new management challenges.

New devices and systems

New smart machines are populating offices and factories in greater quantities than we have ever seen before. These machines are already replacing humans, in routine task, but at the same time they are bringing the opportunity to work together with them, to cooperate with them, as outsourcing part of the processes, developing our skills, taking better decisions or developing new mind sets at work. For the first time, the increment of sensors included in our devices together with 'big data' bring the possibility to take decisions based on predictive analysis. The future is increasingly becoming more digital and our HR level of service must respond accordingly.

Digitalization of the Human Resource process

• Big data projects offer the capacity to manage enormous volumes of data; opportunities to predict patterns of behaviour or utilise data models and information to manage absenteeism, skills and candidates at selection process or salary alignment.

• Budgets can be more aligned with salary trends based international data bases and logarithms used to design a better correlation between our business units and our accountability.

• Virtual training and augmented reality, are been used to develop new skills at work combining different learning process. Escalation from individual experience to a global or virtual training around the world is possible and now standardization of knowledge around different business units is a new reality.

Industry 4.0: a new HR agenda?

AEDIPE Spain

- The use of video or phone cameras as a tool to share information inside the company will be the best strategy in terms of cost.

- Regarding mobility of employees at work, new technologies enable the use of GPS systems connected to data bases to promote sharing cars, correct use of parking, walking campaigns, etc

- In addition, a number or programs, apps, and other tools are appearing to support safety and ergonomic conditions, to avoid risk actions (cameras, drones to do inspections) or to check that medical therapies align with company medical support

- The Internet of Things (IoT) and Matching Learning linked with HR process like a training or workforce planning will provide new opportunities of business and other type of jobs.

In the future HR agenda, it is necessary to redefine all of our activities from a digital perspective. We need to research the maturing new technologies so that appropriate solutions can be applied into our businesses.

We need to consider that the sense of fear is constant to adapt new technologies, and how to manage communication processes is vital at this moment. Training people will be key element and redefining our values, including a specific digital map of competencies, is a priority.
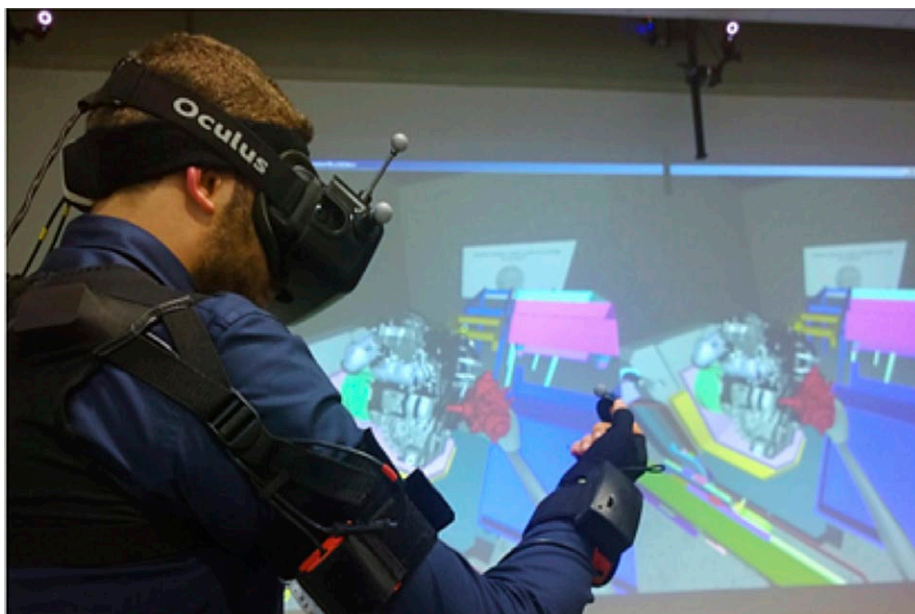
Digital Leadership competencies

Adaptative Thinking	Ability to adjust our knowledge, in order to create new solutions for the problems.
Global Knowledge	Ability to understand concepts across multiple disciplines and emerge new areas of study. Curiosity and willingness to go on learning far beyond of formal education.
Computacional Thinking	Ability to translate vast amounts of data into abstract concepts and to understand data base reasoning.
Design Mindset	Ability to represent and develop task and work processes for desired outcomes.
Cross-cultural competency	Ability to manage diversity, different cultural environments to increase efficiency.
Virtual Collaboration	Ability to work productively, drive engagement, and demonstrate presence as a member of virtual team.
Social Intelligence	Be able to quickly assess emotions, build relationships of trust and collaborate with large groups of people in different settings.
Cognitive management	Ability to manage, discriminate and filter information for importance and understand how to maximize it using a variety of tools and techniques.
New media use	Need and ability to become fluent in forms such a video, paper presentation. Be comfortable creating and presenting visual information.

CIPD Factsheet

This 'Factsheet' from the CIPD examines the importance of HR Analytics in understanding if an organisation's workforce is generating value. CIPD view HR Analytics as both a strategic and operational concept that "enables organisations to understand and articulate important aspects of their workforce through using data and evidence". Its importance is related to workforce issues such as performance, well-being, productivity, innovation and alignment, ultimately enabling more effective 'evidence-based' decisions by business functions.

The Factsheet discusses the nature of HR data and offers a helpful distinction between quantitative and qualitative data. It also explains the difference between correlational and causation although oddly the examples used (height, smoking, lung cancer) seem a long way from HR matters likely to be the concern of most HR professionals. A key part of the Factsheet is its discussion of the three main levels of HR analytics capability (descriptive, predictive and prescriptive). Very few organisations are able to operate level 3 analysis which is described as applying "mathematical and computational sciences to suggest decision options to take advantage of the results of descriptive and predictive analytics".

This is clearly a crucial issue for HR professionals – should they seek to 'contract out' this expertise or seek to develop such capability themselves? A useful HR Analytics process is developed involving nine steps including planning, data audit, design of a process, and the collection, analysis and evaluation of data.

The CIPD maintain that HR Analytics can be applied to virtually any aspect of HR. Three examples are provided relating to employee morale, driving business performance and improving retention. Here, in full, is the example relating to improving retention:

An organisation which is suffering from high turnover of key employee groups can use HR analytics to anticipate areas with specific issues and can then tailor their incentives to curb attrition accordingly. Better measuring the impact of HR activity on turnover can illustrate the specific needs of certain employee groups, for example adapting incentives for senior leaders to meet their needs if they have specific requirements to keep them from leaving.

There is an urgent need for more developed examples and which provide detailed implications for what sort of data is needed regarding an issue or problem, collected over what sort of periods and the analysis processes. Understandably it is not the purpose of the Factsheet to develop such insight. It does a good job at providing a very broad-brush overview of the topic area.

But nonetheless it leaves the HR profession between a rock and hard place. Without more organisationally based examples of HR Analytics in action, and with real detail, the profession may continue to struggle to take the necessary steps to practice HR Analytics as appropriate depending upon organisational context.

The Factsheet is available at https://www.cipd.co.uk/knowledge/strategy/analytics/factsheet where readers can download the resource by registering as a guest.

Tipping the balance of power back to the 'citizen' ? People Data and the new EU GDPR

The much espoused 'promise' is that Data Analytics has the potential to empower HR to become strategic partners within modern business organisations, giving them advanced tools with which to coordinate talent management, resource allocation and strategic planning. Yet having access to a wealth of valuable personal data also brings a responsibility to ensure that it is securely held and used in a responsible manner. Concerns are rife that HR Analytics can remove the 'human' from essential HR activities and from the decision-making processes and provide a basis for abuse of individual rights.
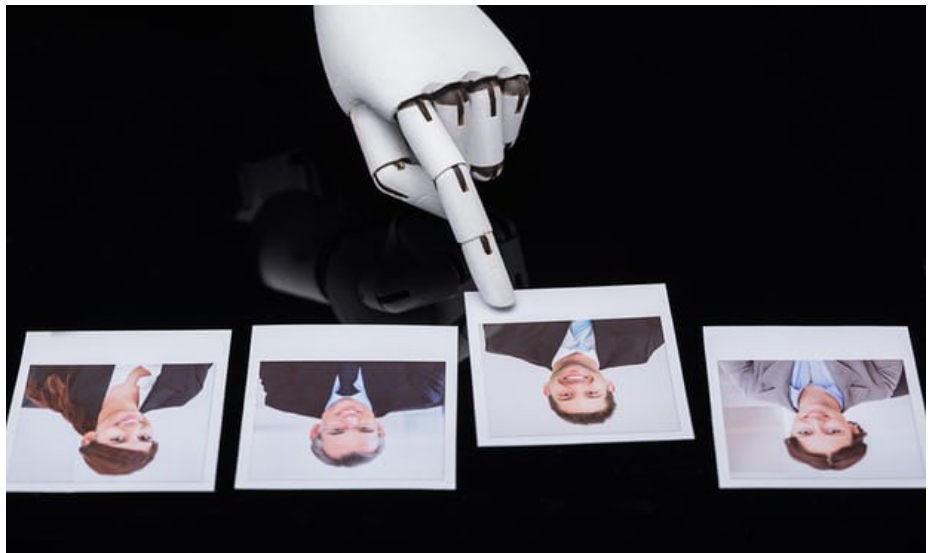
Can the new EU General Data Protection Regulation (GDPR) help stem the tide? A recent article in the UKs Observer newspaper (04/03/18) notes that the GDPR will require a company to disclose whenever a decision "significantly affects an individual has been automated". The article is written in the context of recruitment where AI and automation are increasingly replacing 'human' aspects of hiring new employees. Beyond the dehumanising experience are the concerns about discrimination. If an individual suspects they have been discriminated against by an algorithm what recourse do they have? And is it inevitable that non-traditional or poorer candidates or those who struggle with new technology will be excluded from the process?

So, how is it hoped the new regulation will help individuals 'fightback' against the rising tide of automation and AI driven analytics? The GDPR offers increased

rights to individuals and increases organisational obligations regarding employee data. It replaces the Data Protection Directive 95/46/EC and is designed to harmonize data privacy laws across Europe, to protect and empower all EU citizens data privacy and to reshape the way organizations across the region approach data privacy. Some key implications for HR include:

Information must be targeted: Employers may only request data from potential employees if it is necessary. For all other forms of data collection, explicit permission must be requested. A critical look at the current application procedure is therefore essential. For example, is the information needed to make a proper assessment? The same applies to the data of current employees. Any data companies hold on their employees must be for good reason.

Use data only for your intended purpose: HR departments can use information only for the purpose for which it is requested and provided explicit consent has been given. This may hinder a company's ability to maintain a talent pool. Storing personal contact information for use in the future without permission is not permitted by the new data act.

Provide transparency and accountability: The GDPR will require companies to provide insight into how and where employee data is stored and processed. For information that requires employee permission, their consent must also be held by the company. This is not final, employees have the right to withdraw their permission. companies will have to document and prove how they comply with the new law.

No more saving: Under the new regulations, organisations can only keep personal data for as long as necessary. For example,

in an application process, the data of candidates who are not employed should be deleted shortly after recruitment process, unless candidates have given explicit consent.

Data protection: One of the main goals of the new Regulation is to ensure the protection of personal data. This means that data must be stored safely and securely. Internally, data security must be well-organised too: only a limited amount of people should have access to the confidential information. Close collaboration with IT is necessary to find the right balance between data retrieval and how to protect that data from external threats. Externally, if sub-contracting or sub-processing is used (for example, through 'The Cloud') companies must select a provider with adequate guarantees (in particular security of the data).

Whilst reaction from trade unions has generally been positive that from employers is more mixed. A recent survey by PwC Ireland has revealed that many business leaders have a mixed reaction to the introduction of new data protection laws. The survey of approximately 100 businesses, conducted in late February 2018, showed that over half see real business benefits emerging from compliance with the GDPR – e.g. reputation and good governance, enhanced security practices,

improved communication with customers, a focus on rationalising systems and archives and clarity on data retention. However, a sizeable proportion (49%) said they saw no benefits arising. Critics have questioned if the new regulations, despite the hefty penalties for falling foul of the law, will be strong enough to prevent them from being ignored or sidestepped. For example, Sandra Wachter, Research Fellow in Data Ethics at the Oxford Internet Institute, suggests that that the GDPR lacks precise language as well as explicit and well-defined rights and safeguards against automated decision-making, and therefore runs the risk of being toothless.

In sum, it is to be hoped that the GDPR heralds a significant change in the culture, as well as the processes, of how organisations handle data. There is a real need for employers and HR professionals to take steps now, if they haven't already, to ensure they are prepared for the new data protection provisions coming into force in May 2018. A key first step will be to review and audit data protection processes and procedures and identify any areas of concern in the context of the impending changes.

The EUs web site at https://www.eugdpr.org/ is a resource to educate the public about the main elements of the General Data Protection Regulation.

Research-based Insights into HR Analytics

An evidence-based review of HR Analytics, Janet H. Marler and John W. Boudreau, The International Journal of Human Resource Management, 2016
https://www.tandfonline.com/doi/abs/10.1080/09585192.2016.1244699?journalCode=rijh20

Data Analytics in Human Resources; A Case Study and Critical Review; Kylie Goodell King, Human Resource Development Review, 2017
http://journals.sagepub.com/doi/abs/10.1177/1534484316675818

The rise (and fall?) of HR analytics: A study into the future application, value, structure, and system support, Sjoerd van den Heuvel, Journal of Organizational Effectiveness: People and Performance; 2017
https://www.emeraldinsight.com/doi/abs/10.1108/JOEPP-03-2017-0022?journalCode=joepp

HR and Analytics: why HR is set to fail the big data challenge; David Angrave , Andy Charlwood, Ian Kirkpatrick, Mark Lawrence and Mark Stuart; Human Resource Management Journal, 2016
https://onlinelibrary.wiley.com/doi/abs/10.1111/1748-8583.12090

Empirical research on HR analytics is scarce, and studies on scenarios, values, and structures of expected developments in HR analytics is largely non-existent. The first two articles here are something of an exception, offering valuable research-based insights into how HR Analytics is progressing as an HR practice within organisations. Critical themes emerge, regarding firstly its penetration and secondly the question of the competencies required by HR professionals to utilise data analytics effectively. The third and fourth articles occupy similar territory but offer perspectives on the future; both providing HR professionals with questions and challenges that warrant urgent attention.

Janet Marler and John Boudrea conducted an evidence-based review using an integrative synthesis of published peer-reviewed literature on Human Resource analytics (HR Analytics). Their review of these articles addresses the following 5 questions: (1) What is HR Analytics (how has the concept definition evolved)? (2) How does HR Analytics work (what are the processes)? (3) Why does HR Analytics work (what theories explain cause-effect relationships, antecedents, and consequences)? (4) What does HR Analytics produce (what are the outcomes)? (5) What is required for HR Analytics to succeed (what are the moderators of the analytics-outcome relationships)? They find that despite evidence linking the adoption of HR Analytics to organizational performance that adoption of HR Analytics is very low. They argue that there are a number of requirements for analytics to be successful, including

• an enhanced level of analytical skills amongst HR professionals
• access to cross-functional data
• a credibility among senior managers of the value of data driven implications for policy and practice
• quality HRM information technology software

They authors conclude that despite being a 'hot topic' amongst HR professionals the lack of rigorous research is a further factor holding back the adoption and implementation of HR Analytics.
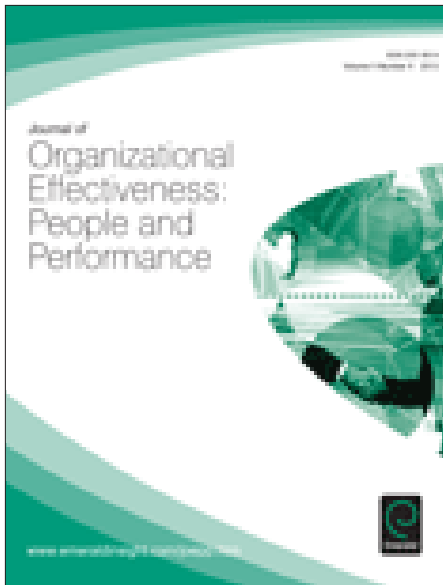
Kylie King acknowledges the use of data analytics in the field of human resource development is becoming increasingly common. However, she argues that this rise in popularity is accompanied by scepticism about the ability of human resource professionals to effectively utilize data analytics to reap organizational benefits. "Many HR professionals lack a detailed understanding of analytical approaches.This hinders their ability to have meaningful interactions with data." The article provides a review of literature both supportive and critical of human resource analytics, argues for the involvement of academia in implementing analytical practices, and uses a case study to illustrate how quantitative tools may positively influence the management and development of human resources.

The case study – an engagement between a corporation and a university-based student consulting team – provides an excellent example of how an industry-academia partnership may be structured and how an organization might approach an early foray into HR Analytics.

Dutch academic **Sjoerd van den Heuval** (University of Applied Sciences Utrecht) casts a look ahead to the future of the relationship between HR and people analytics.

Using a sample of 20 practitioners of HR analytics, based in 11 large Dutch organizations, the authors investigated what the application, value, structure, and system support of HR analytics might look like in 2025. Firstly, van den Heuval argues his findings suggest that, by 2025, HR analytics will have become an established discipline, will have a proven impact on business outcomes, and will have a strong influence in operational and strategic decision making. But a condition of this scenario is that HR analytics is integrated within a company.

There needs to be an updated and inclusive IT infrastructure for centralized data storing. However, whilst this will help ensure HR Analytics moves from simple statistical reporting to evidence-based predictive decision-making it may mean that the future of HR Analytics ceases to exist as a separate function. The paper

explores what the future of HR Analytics may look like revealing that HR Analytics may very well be subsumed in a central analytics function, transcending individual disciplines such as marketing, finance, and human resource management.

'Why HR is set to fail the big data challenge' is a challenging and provocative article…but one that is essential reading. The questions it poses are well founded, serious and warrant discussion in HR departments wherever they exist. The article takes issue with optimistic accounts, which hail HR Analytics as a 'must have' capability that will ensure HR's future as a strategic management function while transforming organisational performance for the better. It argues that unless the HR profession "wises up" to both the potential and drawbacks of this emerging field and engages operationally and strategically to develop better methods and approaches, it is unlikely that existing practices of HR Analytics will deliver transformational change. Indeed, it is possible that current trends will seal the exclusion

of HR from strategic, board level influence while doing little to benefit organisations and actively damaging the interests of employees.

Interestingly the authors suggest that a key barrier is more fundamental than simply a capability gap. They posit that the ideas about HR data and analytics "have not penetrated the thinking of much of the profession". But, to do nothing would be a huge mistake. And here the authors make perhaps their most telling provocation. If HR is not fully involved in the analytics process, together with the modelling processes involved in predictive and prescriptive level analytics "there

is significantly greater scope for models to be constructed in a way which fundamentally misunderstands the nature of human capital inputs into the processes of production and service delivery." Herein lies the risk that analytics will further embed finance and engineering perspectives on people management at boardroom level in ways that will restrict the strategic influence of the HR profession. Predating King's arguments about academic-industry partnerships vis HR Analytics these authors make persuasive arguments that the engagement of HR and related academics with HR Analytics and big data through research and teaching collaboration offers real prospects for mutual benefit.

An appropriate conclusion from a reading of all four articles is the message that HR professionals need to up their game in terms of their relationship with the processes of HR Analytics. A clear challenge is to retain control of the analyses undertaken and the interpretation of the findings and implications. The competencies of HR professional's vis HR Analytics together with the function's organisational positioning are key factors here. These are important articles which demonstrate the role of HR scholarly practice in cutting through the hype and addressing important issues of practice now and in the near future.

HR Swiss

Welcoming Europe to the EAPM Delegates Assembly 2018!

About us

HR Swiss - the Swiss Association for Human Resources Management - is the umbrella organisation of 10 regional HR associations across the country: Zurich, Basel, Berne, Vaud, Geneva, Neuchâtel, Jura-Bienne, Valais, Fribourg and Ticino (www. hr-swiss.ch). Their 6 000 individual and collective members are the backbone of HR Swiss. Switzerland with its 8 million inhabitants hosts a number of international organisations (International Committee of the Red Cross, World Economic Forum, United Nations agencies such as the International Labour Organisation, International Olympic Committee – just to mention a few) as well as globally renowned multinational Corporations, for example, Nestlé, Roche, Novartis, ABB, UBS, Credit Suisse, Swiss Re, Zurich Insurance Group. Correspondingly, professional HR work has to cover a wide range of issues which encompasses a multiple scope of multicultural facets.

The Board of HR Swiss steers the activities: It is composed of repre-sentatives of all 3 language regions in the country: German, French and Italian speaking parts – no doubt a challenge in itself to find common interests in order to make the "life" and the "products" of HR Swiss attractive to all member associations. One of the common denominators is the bimonthly magazine "Persorama" with both printed and on-line editions (www.persorama.ch).

The Board is supported by a profes-sionally led operation based in Zurich (joint operation with Zurich HR Association / www.zgp.ch) with very frequent contacts to all regions of the country.

HR exams/HR certification…

HR Swiss is proud to be a founding member of the national institution, HRSE (www.hrse.ch), with its well recognized 3 different levels: HR managers, HR professionals and HR assistants. The institution is supported by both employers' unions and representatives of the employees in the commercial sector. Some 4 000 persons are trained and certified each year – one of the best labelled and asked for professional exams in Switzerland. Only recently, the shift from 'paper and pencil' to 'digital' has boosted both efficiency and quality of the certification exams.

… events …

The bulk of all training, benchmarking and learning activities is done in the regions, e.g. with practice groups in different areas (such as recruiting, Compensation & Benefits etc.) However, every 2 years, a national Congress brings together prominent speakers and participants from across the country, traditionally in Berne, the Capital of Switzerland. In 2018, the Congress is scheduled in September, focusing on the most relevant topics in the Swiss HR arena.

…and strong ties with EAPM

HR Swiss has the privilege (and the obligation…) – according to the EAPM statutes – to manage the financial assets of EAPM. Way back in 1963, the then founding members were (and hopefully they still are…)
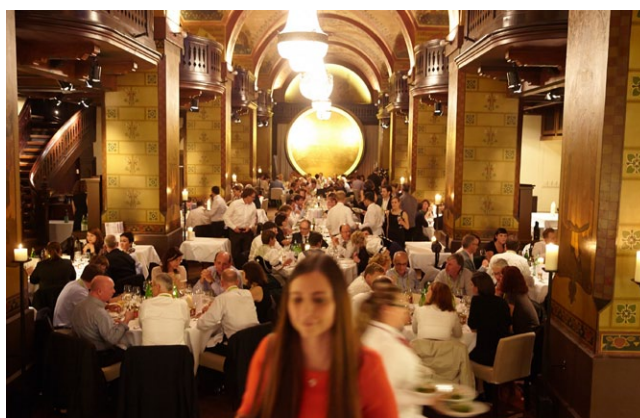
HR Swiss

of the opinion that these aspects of running EAPM are in good hands in Switzerland. We do our best to meet the expectations…

Attracting new members…

HR Swiss and its regional organizations are probably not alone in facing a certain 'membership fatigue', especially amongst younger professionals. Therefore, communities of 'strictly young' members prove to be a well appreciated forum of contacts on all channels, including mentoring programs. Furthermore, as a consequence of the big number of multinationals, Switzerland is hosting a great number of HR professionals on all levels with a background from abroad. Especially for them, the IHRC International Human Resources Community (www.ihrc.ch) is an ideal place to network and meet regularly, thereby covering topics of purely international relevance – exclusively in English.

…and fostering contacts between academia, higher education and practice

HR Swiss – through different channels and different projects (e.g. a yearly survey supported by two Swiss universities, the survey called "Human Relations Barometer") – is aiming at being a transformation point in distributing and implementing state-of-the-art knowledge of research on different levels (Universities, Colleges of Applied Science in both public and private sectors) into the HR business community. Like in other countries, digitalisation is leading to fundamental change in the field of Human Resources management. Lifelong learning for all of us is not an option but a must. HR Swiss wants to accelerate and accompany this transformation process.

Further details on HR Swiss can be found on their web site at: www.hr-swiss.ch

Max Becker
January, 2018

EAPM Event Calendar

Date	Event	Location	Internet link
April 12-13, 2018	PARE – Annual HR conference „point of view"	Tallinn, Estonia	▶
April 16-17, 2018	SHRA – Slovenian HR congres	Portorož, Slovenia	▶
April 17, 2018	HR Norge – Arbeidsrettskonferansen / Employment legislation conferernce	Oslo, Norway	▶
April 25-26, 2018	CIPD – Learning and Development Show	London, UK	▶
May 3-4, 2018	DGFP – DGFP//Congress – Navigating the Future – Mission Start	Berlin, Germany	▶
May 3, 2018	PERYÖN – PERYON "Human Value Awards"	Istanbul, Turkey	▶
May 10, 2018	GPMA – HR Forum 2018	Athens, Greece	
May 17, 2018	PVPA – Annual PVPA Conference	Vilnius, Lithuania	▶
May 20, 2018	HENRY & ALMA Talent – HRx 2018	Helsinki, Finland	▶
May 23-24, 2018	CIPD – Developing Line Managers Conference and Workshop	London, UK	▶
May 24, 2018	HENRY – Nordic HR Summit 2018	Helsinki, Finland	▶
May 25-26, 2018	AIDP – AIDP National Congress	Naples, Italy	▶
May 29-30, 2018	HR Norge – Kompetansedagene / Training days	Oslo, Norway	▶
May 31, 2018	OHE – XXVIII. National HR Conference and Exhibition	Siófok, Hungary	▶
June 5, 2018	ZGP Zurich HR-Association – Trendforum Arbeitswelten 4.0	Zurich, Switzerland	▶