IT AIN’T EASY (ON YOUR OWN): EXPLORING HR ANALYTICS
CHALLENGES AND DIFFICULTIES THROUGH A MULTI STAKEHOLDER PERSPECTIVE

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ABSTRACT

POSITIONING AND RESEARCH GAP
Human Resource (HR) analytics, defined as «a proactive and systematic process for ethically gathering, analyzing, communicating and using evidence-based HR research and analytical insights to help organizations achieve their strategic objectives» (Falletta and Combs 2021, p. 54), is increasingly being used by organizations when dealing with the management of their HR. Despite the positive impact that the adoption of HR analytics can produce on the workforce, and, consequently, on different aspects of business performance, still few companies hired or trained experts dedicated to HR analytics, mainly multinational companies (Andersen, 2017). In fact, the vast majority of firms shows a still immature approach to the topic, presenting obvious difficulties in providing robust descriptive analyses in a systematic manner (Levenson and Fink, 2017). Specifically, in most organizations HR functions are having quite a few problems in overcoming their own issues and adopting a more consultative role that can provide support to top management in the decision-making process (Dahlbom et al., 2019). In fact, these departments are accustomed to performing their tasks with a mindset that is strongly oriented toward providing the service required by the line, without trying to understand how they might have more strategic relevance (Bresciani et al., 2012). According to van den Heuvel and Bondarouk (2017), this is due to the fact that HR departments are generally not involved in the decision-making process or are not taken seriously due to a supposed lack of digital competencies and/or data-driven approaches (Chalutz Ben-Gal, 2019), thus limiting the influence of conclusions developed on the basis of HR analytics activities. Consequently, only a very small percentage of these departments are able to develop predictive models, and even fewer functions are able to develop prescriptive models aimed at suggesting specific actions to be taken based on the data collected and analytics performed (Levenson and Fink, 2017). On the contrary, most organizations are still unable to provide even basic operational reports on their workforce, as these companies still use HR information systems that are too heterogeneous. This obviously inhibits advancement toward measuring and analyzing more complex aspects related to the workforce, such
as providing more reliable assessments in relation to individual or group performance (Dahlbom et al., 2019), such as, for example, employee motivation and retention (Di Prima and Ferraris, 2022). Thus, it is confirmed how, although interest in HR analytics is generally high, there is still a significant gap between the goals of organizations and their actual capabilities to implement the underlying activities: in fact, while some organizations are making significant progress in the use of HR analytics, many others have yet to systematize basic HR processes and modernize HR information systems, consequently limiting their ability to analyze data to answer key questions related to the workforce, thus providing useful information for the decision-making process (Dahlbom et al., 2019).

According to Fernandez and Gallardo-Gallardo (2021), the confusion and lack of confidence found among HR executives toward this practice can be attributed to the lack of clarity about the factors that prevent its adoption in organizations, thus hindering the development of the field and the spread of universally accepted practices. In fact, there are still few publications devoted to the adoption of HR analytics and the main issues it might entail, and the few that are available adopt an individual perspective that does not consider other organizational factors. Previous research regarding organizations’ challenges and difficulties when dealing with HR analytics just relies on the authors’ own opinion (e.g., Andersen, 2017; Fernandez and Gallardo-Gallardo, 2021; Patre, 2016) or does not adopt an empirical point of view (e.g., Levenson and Fink, 2017). The few exceptions that exist (e.g., Dahlbom et al., 2019) just focus on the HR point of view, without considering other organizational stakeholders which have been deemed as crucial for a successful implementation of HR analytics, as the top management (Peeters et al., 2020) and the HR technology providers (Falletta and Combs, 2021).

OBJECTIVES

The objective of this study is to fill the highlighted gaps by providing a deeper understanding of the main difficulties that are experienced by different organizational stakeholders when dealing with HR analytics. In particular, we will try to answer the following research questions:

RQ1: What are the main challenges and difficulties that organizations experience when dealing with HR analytics?

RQ2: How can these challenges and difficulties be overcome?

RESEARCH DESIGN

In order to answer our research questions, we will rely on a qualitative approach, as this will be an explorative case study (Ferraris et al., 2019; Yin, 2014). More specifically, we will conduct semi-structured interviews that will be analyzed by following the Gioia method (Gioia et al., 2013). Our
interviews will involve three main organizational stakeholders: HR managers, employees, and HR analytics technology providers. Interviews will be completely transcribed to simplify the coding approach (Miles et al., 2014), and will be analyzed through a multi-step iterative process. Critical verification techniques will be used to enhance the validity through coders cross-checking (Morse et al., 2002).

THEORETICAL CONTRIBUTIONS AND IMPLICATIONS FOR PRACTITIONERS

This study will offer its contribution by clarifying and systematizing the main challenges and difficulties that are experienced by organizations when dealing with HR analytics, as well as by providing suggestions on how these can be overcome. This will be interesting for both practitioners, as we will offer them practical advice to improve their HR analytics activities, thus maximizing the benefits that may be obtained from them, and for academics. In fact, our study will answer the call of the literature to further explore the factors that are preventing HR analytics adoption within organizations, thus hindering its spread (Fernandez and Gallardo-Gallardo, 2021). Furthermore, we will also investigate how successful organizations are overcoming these difficulties, thus paving the way for the establishment of universally accepted practices to deal with HR analytics (e.g., Falletta and Combs, 2021). Finally, to the best of our knowledge, our study will be the first to consider not only the point of view of HR practitioners, but also of other important organizational stakeholders as the top management and the HR technology providers, which may be involved in the analytical process or could benefit from it (Falletta and Combs, 2021; van den Heuvel and Bondarouk, 2017). By doing so, we will offer a more holistic understanding of HR analytics which will further clarify the academic comprehension of these recent, but very promising, tool.

Keywords: HR analytics; challenges; difficulties; qualitative approach; Gioia method

REFERENCES


