

Challenges in Implementing Human Resource Analytics

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Abstract:

Digital transformation and artificial intelligence encourage HR professionals to concentrate on HR technology in order to develop skills and competencies for strategic advantage. Nowadays, HR professionals are involved in strategic decision-making as well as administrative responsibilities, necessitating the application of data analytics in human resources. HR analytics is a data-driven method that enables human resources professionals to make educated, evidence-based choices. An evidence-based choice can only be made with data, and it is difficult for HR professionals to translate HR data into strategic value. To properly integrate HR Analytics, HR professionals must first understand the problems they experience throughout implementation and application. This study seeks to identify the issues that HR professionals experience while applying HR analytics and to provide realistic solutions. HR has considerable hurdles in deploying HR analytics, including a lack of data analytics expertise, privacy and compliance, data variety, and technologies, among other things.

Keywords — HR analytics, Human Resources, HR Professionals, Challenges and Solutions.

I. INTRODUCTION

In the era of digitalisation, managing human resources is the prime concern as it initiates the advancement of technology in recruitment, selection, training, and retention. The progress of technology in organisations like machine learning and artificial intelligence has strengthened the scope of human resource analytics. Human resource analytics are also termed people analytics, workforce analytics, team analytics, and human capital analytics. Traditionally the decision of the human resource department is mainly based on gut feeling, intuition and knowledge that involves biases, but with the help of data-based decision-making biases can be reduced and overcome. As technology changes and upgrades, it creates a competitive environment among organisations and needs a strategic role to meet that change and competition for that HR's analytical role plays a crucial part in identifying and retaining top talent.

Organisations that may build a fact-based decision-making process through the use of analytics, which is defined as a primary purpose of implementing HR Analytics. It is emphasised that the deployment of analytics inside the HR function is unavoidable since decision-making processes in the HR area must become more data-driven. (Chahtalkhi, 2016, p.6)

The objectives of this study are as follows

- a. To identify the challenges faced by HR Professionals while implementing HR Analytics.
- b. To propose feasible solutions to meet challenges.

II. CHALLENGES FACED BY HR PROFESSIONALS

1. **Data Variety:** Human Resource Management department manages the data of the whole organisation, which may be related to recruitment, selection, training and others.

Organisations have a bulk amount of data, and collecting, generating and interpreting data is not easy. For implementing HR analytics successfully, is necessary to collect and organize data from the different departments and various operations within the organisation. Managing a diverse variety of data is a difficult task and it can be easily managed by data analytics experts and professionals. While collecting data there may be a chance of errors and duplicate data that can not be easily traceable. The HR analytics tool delivers findings based on the availability of data, but if data quality is not appropriate the results may not be as expected (Tomar and Gaur, 2020, p.1304). So, managing a huge amount of data in one place is challenging for HR professionals while implementing HR Analytics.

2. **Communication:** Lack of communication between different departments like HR, IT and the business, creates issues in the implementation. For the adoption of technology, communication should be solid between the business and the HR metrics and analytics team.
3. **Employee Resistance:** Employees are the essential assets of the organisation and play a crucial role in achieving any objective. Implementing technological advancement in the organisation requires the readiness of the organisation as well as the employees, for that trust and transparency are necessary so that change can accept easily. HR specialists sometimes criticise companies for depending on computers to conduct HR duties, particularly in circumstances such as recruiting. They believe it removes the "human" element from "human resources." There is also the potential that analytical systems may not always forecast the proper conclusions accurately (Singhwal and Vashistha, 2023, p. 647).
4. **Skills Gap:** HR analytics requires a proper understanding of analytical skills, psychometrics skills, relevant ethics, laws and other relevant useful skills for the use of

tools efficiently. HR professionals also have the skills to analyze and interpret the data and communicate the information and recommendation to the stakeholders. HR analytics can be implemented by data analytics experts and only by those who are skilled in working with this advancement. A shortage of skills is the main challenge faced by HR professionals. For implementing HR analytics several skill sets are required which are labelled into three categories viz "business expertise", "analytical mindset" and "storytelling" (Fernandez and Gallardo, 2021, p.172).

5. **Organisational Culture:** For initiating and implementing any change in the organisation, culture plays a crucial role. If organisational culture does not support the advancement of the organisation then HR analytics can not be implemented. For implementing this, HR professionals should communicate proper information and guidelines to the employee towards the change and its implementation. Culture is considered a top challenge in implementing HR analytics.
6. **Top Management Support:** Implementation of any tools and software requires support from the management but in many studies, it has been found that there is a lack of top management support in the case of HR Analytics. Using new technology in businesses incurred a huge amount of cost which is not approved by the management if it does not provide ROI. In the Implementation of HR analytics, all the data sets are required to be integrated and managed properly. Some authors argue that adequate collaboration between HR and other organisational functional leaders is critical for producing value-added HR analytics, but that failure to do so might be a barrier to deployment. (Fernandez and Gallardo, 2021, p.176).
7. **Insufficient IT resources:** Analytics implementation in HR is an IT-intensive procedure. Many businesses, particularly smaller ones, lack the infrastructure to launch

an analytics programme. Furthermore, constructing the essential infrastructure for enterprises may be an expensive and time-consuming endeavour. This is one of the primary reasons why many organisations avoid using analytics in HR procedures. (Singhwal and Vashistha, 2023, p. 647).

- 8. Privacy and Compliance:** Privacy and compliance are the major issues of implementing change and adoption of technology. Implementation of HR analytics in the organisation brings automation and data sharing with the third party or vendor creating ethical issues. There is an issue that can lead to a breach of information and loss of data privacy. The data used by HR professionals and organisations must be used ethically and legally is a big issue in the implementation. Information loss can damage a business. The improper guidelines and policies create hindrances in the adoption and implementation of technology.

III. FEASIBLE SOLUTIONS

The absence of business and management support, as well as interest, is critical and must be created, and is seen as a major factor. (Chahtalkhi, 2016, p.22)

First, business and management awareness must be built to generate a high degree of interest and support. Second, to conduct useful business analyses and improve overall decision-making processes, a high level of interest will stimulate the formation of a high demand from the business site, allowing the performance of analyses that address business cases. Furthermore, the HR community must get a better knowledge of HR Analytics. (Chahtalkhi, 2016, p.22). Some important feasible solutions:

1. The implementation and application of HR analytics can be easy if HR professionals learn data analytics skills and the organisation can provide training to them.
2. Visualizing and analysing the data with minimum and no errors make HR Analytics implementation to be successful.
3. Collaboration and integration with all other departments for implementing HR analytics

are needed so that HR professionals can work with teams and other departments

4. Proper training in machine learning, data mining, and algorithms, as well as when to apply which approach. Implementing technologies that can combine many data sources into a single data source; learning when to employ which strategy, Implementation of a large integrated data platform (Chahtalkhi, 2016, p.22).
5. With proper communication and sharing of analysis results, the level of knowledge may be enhanced, and new possibilities and chances for applying HR Analytics can be identified.

IV. CONCLUSION

The introduction and implementation of HR Analytics have radically transformed the HR department. As a result, organisations must focus on the department as a whole for it to take on a more strategic role and be more capable of attaining corporate goals and objectives. HR professionals must revisit HR practises and procedures to successfully incorporate HRA in each process. (Zeidan and Itani, 2022, p. 687). This study highlights major key challenges faced by HR professionals in implementing HR analytics. First and foremost, management is critical in legitimising HR analytics. Management frequently initiates in-depth assessments, and the results are also relayed back to management. (Wirges and Neyer, 2022). Other challenges are required skills, supportive culture, proper communication, ethical and legal privacy and compliance and others. The study also provides the feasible solutions which are to be assessed before implementing HR analytics. Analysing all the challenges and reducing barriers can make the successful implementation of HR Analytics by HR professionals in the organisation.

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