The practical guide to HR analytics: Using data to inform, transform, and empower HR decisions (book review)[1]

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The book offers a complex and well-explained approach and tools for understanding what leads to HR's success nowadays. As HR's role is more and more strategic, HR professionals are in a context where formulating insightful questions, defining key problems, using, and interpreting data are daily topics, and HR analytics are becoming a source of solutions. Data analytics offer proper guidance and make it possible to formulate solid recommendations for impactful business decisions. The book is also touching on some key areas where data analytics can be highly relevant: *management* and impact on decisions, a practical chapter on *how to work with data,* including a wonderful perspective on *HR and its new role*.

Talking about *management*, the book explores management challenges and decision-related questions based on the perspective that HR is important for making data-driven decisions and that no data source is perfect. Each person we talk to at work has a different perspective, and so does each data source. That is why it is so important to look at a problem from several angles. This can help overcome the limitations of any single source and ensures that you are not missing anything. Data analysis is a powerful tool to increase the likelihood of defining the right problem. And because HR manages a difficult area, having to serve the employees, protect the business to keep up with ever-changing laws and regulations, and figure out how to do more with less and faster, a critical issue is the fact that people are sometimes limited when it comes to making decisions. We like to think of ourselves as rational actors, but our limitations, emotions, and processing biases stand in our way. The world is complex, and people have developed ways to help simplify it. The so-called cognitive biases are

[1] Waters, Sh. D.–Streets, V.–McFarlane, L.–Johnson-Murray, R. 2018. *The Practical Guide to HR Analytics: Using Data to Inform, Transform, and Empower HR Decisions*. Alexandria, VA: Society for Human Resource Management, ISBN 978-1-586-44532-4, pp. 208.

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ways in which our brain helps us take shortcuts to face four primary challenges: overloading information, meaninglessness, the need to act quickly, and knowing what needs to be remembered for later. The good news is that we can do better.

But there are ways to mitigate limitations in our decision-making process, including relying more on the systematic collection, analysis and combination of data. Data analysis in human resources can improve the credibility of the HR function by strengthening the link between people and business results.

In regard to the ways of *working with data*, it is noted that HR works to increase the role of analytics and that academic researchers are working to expand the set of analytical tools available. There is a multitude of advanced analyses to help professionals cope with the complexity of human behaviour. First, collecting new data is often necessary to really understand what is going on. Too often, people stop at the data they have at hand. That can somewhat limit making data-driven decisions. Validating them beyond data, in meetings and discussions, connecting with the managers who can provide data and information, leads to an approach that can allow HR practitioners to have a closed loop of communication with stakeholders. Verification with stakeholders also provides a better understanding of what variables are important to them and how they define and talk about these variables. In this way, when the findings are presented later, HR can check how they resonate with them. Understanding people means understanding human resources and the members of the organisation so that HR can ask the right questions. Analytics have limited impact if they are not linked to important challenges for business leaders. Analysts need to have an in-depth knowledge of the business process and where the organisation generates its competitive advantage. It is essential that HR understands the issues that interest business leaders and where the business needs help the most. Understanding data more accurately requires two types of expertise: expertise in data and expertise in analysis. Data expertise involves working directly with data: extracting, cleaning, transforming, and managing data. Expertise in analysis involves data analysis, data visualization and validation. While data fluency and statistics, especially more advanced statistics, are newer skills for many HR professionals, it is important to see that much of what is needed are things we are already good at: consulting, business experience, and a deep understanding of the people and processes of people in your organisation.

When it comes to *HR and its new role*, it is already a fact that HR has gone beyond the routine activities that traditionally made up staff management, such as payroll and benefits. Now, it has a more substantial role in developing people's strategies to support the goals of the organisation. For HR leaders to have a broader organisational impact, they too need to shift focus from HR processes to the impact of talent on broader strategy and business outcomes. Analytics provides a way to demonstrate this link. The ability to bring analytics to the table allows HR professionals to be on common ground with other functions and speak a common language. Analyses can be useful in any human capital project. In addition to helping to correctly redefine the problem and identify solutions, it can also help to evaluate solutions. This allows HR professionals to identify problems early enough to improve intervention, to interrupt it if it does not work, or to demonstrate its impact on stakeholders. Change management is essential to any new initiative. Communication is essential and it is never too much. Not every HR professional needs to become an analysis specialist. However, every HR professional should understand where analytics fit into the HR landscape and how they can be harnessed. Experienced HR professionals not only understand the operations and functions of the organisation but they are also in tune with what is happening in the external environment. In other words, HR-efficient professionals are competent in the field of business, but in order to adapt the recommendations to the industry, size, sector, geographical space specific to their organisation and so on, they must also use critical assessment and HR expertise. Having more stakeholders and data owners means that HR will have to get help from others.

The book makes its closing remarks with a wonderful recommendation to consider launching a campaign to promote HR analytics and data or providing additional assistance when new reports or analyses are launched. Distributing a monthly educational communication series can fit like a glove, highlighting a different value every month.