

## Chapter 3

# The Call to Teach Human Capital Analytics

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### ABSTRACT

*The Human Resource Management profession has increasingly taken an interest in applying analytical techniques to data collected concerning organizational human resources, typically referred to as human capital analytics. However, as yet, the teaching of such techniques has not become prevalent within professional training. This chapter intends to inform and support teachers of HRM who need to engage with the discourse surrounding this important new area for the profession. It includes the presentation of a process model for teaching human capital analytics to HRM professionals and a discussion on the implications for the HRM profession of the 'rise' of human capital analytics. These include the need to include human capital analytics within taught HRM professional programmes and an urgent requirement for credible empirically-based research in the area of human capital analytics to support the development of teaching content.*

### INTRODUCTION: SETTING THE (PROFESSIONAL) SCENE

The coupling of human capital and analytics has become increasingly noticeable in the discourse of human resource management (HRM) professional bodies that award credentials to HRM professionals. As well as producing reports on the subject (e.g. CIPD, 2016), these representative bodies – notably in the United Kingdom, the Chartered Institute of Personnel and Development [CIPD] – have also organized conferences on the role of analytics for HRM professional practice. However, given the gathering pace of this discourse, it must be surmised that the teaching of HRM in colleges and universities has lagged behind these developments in terms of the curricula offered to students. There is then an implicit call to teach human capital analytics to the wider HRM profession (and particularly to new entrants into the profession) so that HRM professionals might engage with these important developments and be well-positioned to offer leadership on analytics projects. This chapter is therefore primarily intended to inform and support teachers of HRM who might need to engage with the subject of human capital analytics.

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At this point we might usefully consider how the HRM discourse on human capital analytics has been influenced by other parts of the business community, specifically: accountancy/finance professionals, technology/analytics experts, and management and investment consultants. These influences, as modelled at Figure 1, emanate from within various overlapping discourses (Olakivi & Niska, 2016) that offer different perspectives but are united in their positivity towards the application of workforce-related data analytics within organizational settings.

To illustrate these influences we might point to recent collaborations in the United Kingdom between the HRM profession (as embodied in the professional body for HRM professionals), and the management accountancy/finance profession, management consultancy firms, and technology companies. In combination the outputs of these collaborations have espoused the benefits of: (i) quantitative data analytics ‘to enable greater understanding of the value of human capital to the organization’ (CIPD, 2014:6; *Valuing Your Talent*, 2015), and (ii) the use of ICTs designed to capture measurements concerning workforce demographics, performance, behaviours, etc. on the assumption that, once analysed, management decision-making will be enhanced. (e.g. CIPD, 2013).

Thus, approaching this chapter from the personal perspective of being a teacher of HRM at post-graduate level, my starting point for its writing was an awareness that analytics generally, and HRM/human capital analytics specifically, barely feature in the syllabuses of UK college and university courses in the professional practice of HRM. The chapter addresses the matter in a structured fashion. Firstly, the concept of human capital is discussed with particular emphasis on how it is being employed in managerial discourses of positivity towards human capital analytics. Secondly, drawing on a similar literature, a composite process model is presented to illustrate how human capital measurement, reporting, and analytics are purported to be variously employed. Thirdly, it is suggested that the deficiency in teaching of analytics to HRM professionals coupled with a lack of credible empirical evidence might explain why there might be a distinct reticence within the HRM profession to jump on board the human capital analytics bandwagon.

*Figure 1. The HRM profession discourse showing influences relating to human capital analytics from other business discourses*



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