

TRANSFORMING HUMAN RESOURCES THROUGH TECHNOLOGY

Big Data and people analytics are driving changes in the way that companies hire and retain their staff as the future of work undergoes a digital makeover **BY DYLAN TAN**

ASK any owner of a small and medium-sized enterprise (SME) what challenges he or she faces, and the issue of manpower shortage is bound to crop up. The global labour crunch is one that seems to affect every industry; and according to a 2018 study by Korn Ferry, 20 major economies will feel its effect in the next decade or so. A worldwide talent deficit of 85.2 million workers – larger than Germany’s current population – will hit these economies by 2030; and the global skills shortage could translate to US\$8.45 trillion in unrealised annual revenue – equivalent to the combined gross domestic product of Germany and Japan.

With our country’s birth rate slipping over the past decades, Singapore will not be spared as the number of adults entering the workforce declines.

Korn Ferry’s study estimates that by 2030, we will be short of more than one million skilled workers – and that figure will translate into revenue losses of US\$106.8 billion annually. Businesses might be forced to put

growth plans on hold with such a grim outlook as the talent gap widens.

The roles in human resources (HR) departments will also become increasingly demanding as it has to do more than just manage staff records, payroll and leave; and the main challenges include attracting potential talent, as well as retaining new and old employees.

Not only that, millennials are starting to climb the managerial ladder, while the first batch of Generation Z begin entering the job market. Hence, a change in work culture and office dynamics are inevitable; and to say that HR has its work cut out would be an understatement.

This is especially since the 2018 *Millennial Survey* by Deloitte found that 43 per cent of millennials plan to quit their current job within two years and only 28 per cent could see themselves staying in their current role for more than five years. The survey was conducted in 36 countries, with 10,455 millennials and 1,844 Gen Z-ers taking part in it.

Traditional HR methods such as using yearly appraisals to evaluate employees are fast becoming outdated as the need to keep a pulse of the

workplace becomes more urgent than ever. Hence, it is not uncommon to find companies turning to technology to cope with this sea change.

DATA-DRIVEN SOLUTION

Using people analytics to know what employees want and to reduce turnover rates is becoming more widespread. During the HR Festival Asia conference in May, Minister of State for Manpower Zaqy Mohamad noted that HR technology is becoming more accessible and affordable. He added that the field has grown to become a US\$400 billion industry worldwide, and about 200 HR tech firms in Singapore have received about US\$1.4 billion of funding from private investors.

EngageRocket is one such fast-growing homegrown people analytics solution provider that helps companies make better people decisions by using real-time data. Founded in 2016 by Dorothy Yiu and Leong Chee Tung, who were formerly regional heads at American research and consulting company Gallup, it now serves more than 30,000 users in



WORK SMART
EngageRocket’s Mr Leong points out that using an automated process means that businesses do not have to commit a large HR unit or hire an analytics team

13 Asia-Pacific markets, across 20 industries which includes companies such as Sephora, Thales, Novartis and Tokopedia.

“EngageRocket is simple to use, provides real-time actionable insights backed by research and can be deployed and scaled quickly within an organisation,” says Mr Leong. SMEs, especially, stand to benefit because EngageRocket’s solutions come “at a fraction of the cost of hiring traditional consultants”. It generates revenue via a time-based subscription model, and the cost structure depends on the size of the company or the team that is using EngageRocket’s solutions.

The endgame is to level up HR capabilities and create better employee experiences using real-time people analytics. “(Previously) we found it was challenging for HR to collect accurate employee engagement data and identify actionable insights in a timely and effective manner – there wasn’t a good way for leaders to get reliable data on each stage of the employee experience in a single place,” explains Mr Leong.

EngageRocket collects information through automated engagement surveys, 360 reviews and demographic analytics from on-boarding to separation; and its platform will instantly analyse and translate feedback into actionable insights. This in turn will empower HR managers to make data-driven decisions, rectify HR programmes that are not working and find out if an individual manager’s leadership style is generating the desired effect on his or her team.

THE CASE FOR GOING DIGITAL

The need for continuous listening is essential. Online retailer Amazon’s Connections programme, for instance, sends daily surveys with different questions to different segments of its 566,000 employee base globally.

It might be a little extreme but Mr Leong points out that studies have shown that the return on investment on people analytics can be as high as US\$13 for every US\$1 spent: “Putting data from across the employee lifecycle through continuous listening channels can clearly yield powerful talent insight. Whether this is a simple matter of slapping together the relevant charts on a single dashboard or having a more scientifically robust way of normalising the data across stages, establishing a single source of truth for employee experience data is the first step towards strategically managing the employee life cycle.”

Because the process is automated, businesses do not have to commit a large HR unit or hire an analytics team to administer and collate data and insights, he adds. “Our solution gives leaders the ability and time to focus on areas of improvement and to personalise their management style in the best way to improve employee motivation – we allow HR and leaders to build better workplaces by removing unnecessary complexity while preserving employees’ confidentiality.”

He adds that unhappy or “disengaged employees” are red flagged by their lack of response to survey questions, as well as their behaviour interacting with EngageRocket’s platform. “For example, by analysing our customers’ results, we found that a low survey participation rate indicates a warning signal for upcoming talent attrition – non-respondents in that study had a 2.7x higher likelihood of leaving the company within six months,” Mr Leong explains.

COMBINING DATA SCIENCE AND ARTIFICIAL INTELLIGENCE

Pulsifi is another homegrown Big Data HR startup that seeks to discover and realise the potential of job candidates and employees in the workplace by using artificial intelligence (AI). The company, founded by Peter Yoong and Jay Huang in 2016, secured US\$1.1 million in funding from three angel investors last August to enhance its people analytics platform.

The two have over four decades of working experience between them, and know first-hand that the single biggest challenge that any company faces lies in finding and developing great people. “Great people are the key to bringing any organisation to greater success,” says Mr Huang, who is also Pulsifi’s CEO. “On the other hand, we saw that so few of the people around us actually looked forward to starting the work week on Mondays – and so much of their lifetime is spent at work! – (so) if their people are not motivated, organisations will not achieve their success.”

As the founders themselves used to work in digital marketing – an industry that already heavily uses data points to map out consumer

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– Jay Huang, CEO, Pulsifi



“AN ABW TRANSFORMATION IS FULLY CO-CREATED WITH EMPLOYEES, EVERY STEP OF THE WAY.”

– Iolanda Meehan, managing partner (South-east Asia and Japan) of Veldhoen + Company



“WE STRONGLY BELIEVE OUR EMPLOYEES’ EXPERIENCE SHOULD REFLECT THE ONE WE ARE TRYING TO PROVIDE TO OUR CUSTOMERS.”

– Brandon Lee, head of People & Culture at Love, Bonito

preferences – Pulsifi decided to apply a similar approach to HR. The company’s solution is a cloud-based people analytics software platform that combines organisational psychology and data science into AI that predicts the suitability of people to a role, team and organisation. “Pulsifi is unique in two aspects – firstly, we use multiple data sources to holistically describe both the hard skills and soft traits of each person,” Mr Huang shares. “Our AI gathers information about candidates and employees from CVs, psychometric assessments, video interviews, social media, etc.”

Algorithms designed by Pulsifi’s people science team – comprising data science and organisational psychology experts and PhD holders – then use the data to understand hard skills and soft traits – such as competencies, personality, work interests and work culture – and reveal predicted behaviours and attitudes of people, such as motivation to learn, grit and teamwork.

This holistic insight presented is something that is not possible from just looking at one’s LinkedIn account or even through an interview; and the data is explained to the client rather than just looked at blindly.

Mr Huang adds that Pulsifi’s other uniqueness lies in how it tailors algorithms for each organisation: “We partner organisations to benchmark their employees – analysing employee performance, engagement and retention data, and determining the specific hard skills and soft traits that predict success in each role in the organisation.”

SUCCESS RATE

The proof is in the pudding, and Pulsifi says that it has delivered “on average over 100 per cent improvement in candidate selection quality and over 70 per cent improvement in operational efficiency – as well as succession planning, internal mobility, teaming, and learning and development” to its clients which include Nestlé and Reckitt Benckiser.

Similarly, Singapore’s largest home-grown women’s fashion brand Love, Bonito has adopted EngageRocket’s solution as the company wanted a cost-effective and intuitive way to scale quickly. Its workforce grew by 50 per cent last year with the headcount now standing at 150. That number is set to increase by the same increment by the end of 2019.

Love, Bonito also aims to align customer and employee experience using data. Brandon Lee, head of People & Culture (P&C) at Love, Bonito shares: “We strongly believe our employees’ experience should reflect the one we are trying to provide to our customers. We are investing time, effort and money trying to understand our customers, measuring their satisfaction and personalising their journey – it’s only right that we want the

same for our (employees).” Adopting HR tech also allows Love, Bonito to keep operations lean and is “one initiative in a greater push towards open feedback and omni-channel communication within the organisation”, he adds. In this way, the company hopes to crowdsource feedback, suggestions and ideas for policy-making and company-wide initiatives.

“Having a lean P&C team means that we have to place bets and roll out initiatives that are most relevant – having consistent employee feedback means we don’t have to place bets blindfolded,” explains Mr Lee.

STILL HUMAN

Contrary to those who fear that digitisation equals robots taking over jobs, the use of HR technology is anything but that. Pulsifi’s Mr Huang clarifies: “We help to put the ‘human’ back in ‘human resources’ (and) help HR do what they really want to do better.”

He adds that HR managers will spend much less time on repetitive tasks such as screening job applicants and candidates, or compiling candidate profiles from disparate data sources with Pulsifi’s AI.

“They (will) have much more time to invest in areas where the human touch is valuable, such as convincing candidates to join the organisation, coaching employees for learning and development, and strategic people planning for the organisation.” The technology has also improved leaps and bounds since Google, one of the pioneers in people analytics, tested it as Projected Oxygen a decade ago.

Although EngageRocket’s Mr Leong admits that it is still a “relatively nascent field in Asia”, the company is excited to be at the forefront. “New methodologies and tools have proliferated with Web and mobile applications operating in a far more agile and responsive infrastructure,” he says.

“What is clear is that with continuous listening systems maturing, and data flows between silos become more flexible, it is very likely that HR will rapidly transition across the value chain from descriptive to diagnostic to predictive and eventually prescriptive analytics within the next few years.”

Pulsifi’s Mr Huang says that he is encouraged to see organisations moving hiring criteria away from just scanning a jobseeker’s CV and relying on gut feel which could not only lead to bias and unfairness but also limit the potential of the hire. “We see this as a sign that (they) are keen to understand people more holistically, and hire people for the traits that lead to success in their roles . . . after all, prior roles, education and grades are seldom the only contributors to success in jobs,” he notes.

He goes as far as to predict that the future of any industry lies in analytics and data. “Technology has become so integral in every part of our lives today

that we seldom call it out as technology anymore; (and) in the near future, we would similarly not be calling analytics out anymore.”

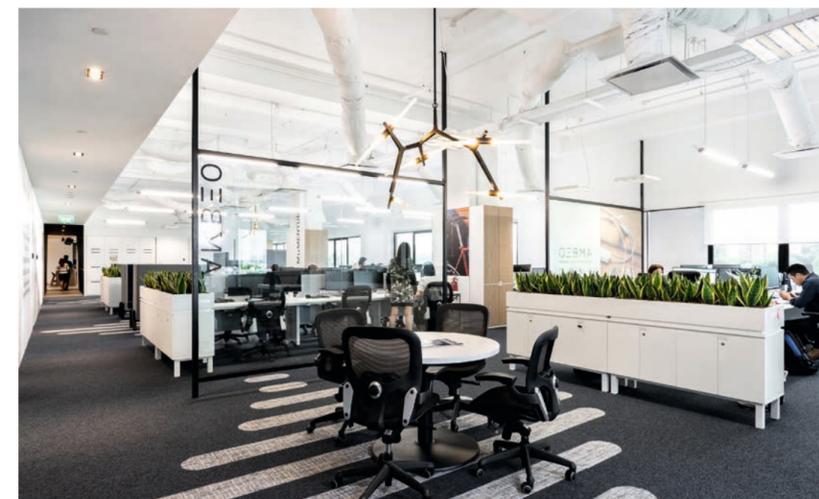
ACTIVITY-BASED WORKING

But going the high-tech route is not the only way that HR is coping with the future of work. As early as 1989, Erik Veldhoen popularised the concept of activity-based working (ABW). His integrated consultancy firm Veldhoen + Company opened its sixth office – and the first in Asia – in Singapore two years ago to meet the demands of the rapidly evolving business landscape and employee needs in the region.

Going against the typical nine-to-five office culture, ABW is based on the philosophy that people should be trusted and empowered to work anytime anywhere in order to do their best work. It goes beyond just hot desking or designing an open concept office – ABW is a business strategy that reimagines traditional practices to engage people at the workplace and gives employees the freedom of choice to decide how he or she works to achieve the best outcome. In short, it transforms work into something that you feel empowered to do, rather than somewhere you need to be.

GET TO WORK

Algorithms designed by Pulsifi’s team (above) use data to understand hard skills and soft traits and reveal predicted behaviours and attitudes such as motivation to learn, grit and teamwork; Sennheiser recently integrated activity-based working in its new office (below) in a bid to encourage a team-oriented approach towards working



Managing partner (South-east Asia and Japan) of Veldhoen + Company Iolanda Meehan, who is heading the new Singapore office, says that the role of HR is “crucial” in ABW and it needs to be at the table when the discussions are happening to support employees through the transformation. More importantly, HR professionals must not see ABW as merely a real estate project or feel that they are to police things, she says.

“In ABW, a culture of feedback is very important, so the HR team doesn’t become the enforcers of ABW but rather the facilitators of transformation . . . If carried out properly, an ABW transformation is fully co-created with employees, every step of the way,” Ms Meehan stresses.

Sennheiser’s Singapore office recently integrated ABW in its new office in a bid to encourage a team-oriented approach towards working. Martin Low, managing director at Sennheiser Electronic Asia, says: “It drives home the transition from a ‘me’ to ‘we’ mentality at work, which encourages trust among colleagues while fostering camaraderie.”

He adds that the intelligent use of natural lighting complimented with technological innovation, for instance, has given rise to energy levels around the office as greater collaboration and communication now take place daily. He also notes that the removal of silos has also radically transformed working styles and brainstorming sessions – and even Sennheiser’s customers do not mind staying on a little longer for discussions.

The journey involved a close collaboration between HR, business, IT and real estate, according to Ms Meehan. “Since the changes were not mainly about the environment but around driving a more interactive and empowered behaviour, HR played a key role in the entire process by participating in all employee co-creation workshops, gathering insights and acting like a change agent internally,” she says. She adds that a number of HR policies were revisited, as well as the overall employer value proposition for attraction and retention of talent.

Regardless whether a company decides to adopt ABW or HR technology, the bottom line remains the same: attract talent and retain staff. “Employees are a company’s greatest asset, so it only makes sense that robust decision support tools are used in managing such an asset,” states EngageRocket’s Mr Leong.

“As each individual seeks to realise their unique potential in the workforce and companies seek to maximise their return on labour, technology and analytics play an important role as an intermediary to support the goals of both parties.” He adds: “Not only would staff be more loyal and happier as they pursue and realise their career aspirations, companies will be able to reap the benefits of a more productive workforce.” ■