PP#004

Necessary Skills for HR Business Partner (HRBP) - HR metrics & analytics

KPI and metrics

The concept of HR Business Partner (HRBP) is trending in the industry. With HR and L&D professionals taking up a more active role in managing business, there is increasing demands for them to equip themselves with additional skills and knowledge, to cope with the business needs and expectations from management.

HR and L&D are people-oriented functions, who usually do not speak the same language with business leaders in the past. However, these people-oriented functions are managing the most important assets, the human capital, of modern organizations.

The University of Southern California collected 37 Survey responses from US Fortune 500 firms. Results showed that collecting effectiveness data was a key success factor to be a strategic HRBP.

To better connect with business leaders, HR and L&D should learn to work with business leaders effectively, to make a bigger impact on business performance through their profession. One way to be more business savvy is to be more sensitive with numbers, making effective use of KPI and metrics. If we can align HR and L&D KPI and metrics with business KPI and metrics, we will be on the same boat with the business leaders and the whole organization. Ultimately, it is our mission to improve business performance by managing and developing human capital.

Read on to learn how to be a strategic HR business partner:

If you have existing KPI or metrics

Compare your practice with the industry benchmark below. Take away ideas of how to make better use of your existing KPI and metrics.

Key insight #1 Big gap on future HR demands

While the majority of HR (more than 65%) foresees their roles becoming more strategic and closely related to the business, only less than 23% of them feel that they are currently ready to take on such future demands.

That means there are much potential for HR professionals to leverage KPI and metrics for these strategic directions:

(sorted by importance)

1.   Align human capital strategy with business strategy

2.   Managing change

3.   Data based talent strategy

4.   Develop HR business strategy

5.   HR analytic for business decisions

Key insight #2 Lack of business impact measurement

HRIS, benchmark data and cost efficiency topped the list of KPI and metric measurement. However, business related information and measures were much less being monitored. Business impact, dashboard, and scorecard for HR activities were rarely developed.

Key insight #3 Success factors to be HRBP

To succeed in the HRBP role, there are 3 key predictive factors:

1.Management satisfaction with value added

Communicate closely with management. Speak the same language with them. Integrate your HR perspective with business needs. Make sure HR strategies add value to business performance.

2.Data for driving change

Descriptive data is good; Predictive data is even better. Make good use of the data you have. Analyze the data and generate insights for decision making. You will probably need talents of data analytics to manage the database, run statistical tests, and make conclusions.

3.Analytic support for business decisions

Working with different stakeholders is also essential as HRBP. You will be an advocate and strategist. Lead and persuade the stakeholders with the potential benefits of your proposal. Ideally, you will work closely with them to collect, analyze, and interpret data together, coming up with the necessary information to improve business decisions.

Tips to make better use of KPI or metrics

1. Recruit and develop talents for data analytics

2. Integrate HRIS with business information (80% of organization has HRIS but few of them make good use)

3. Design the right metric structure

4. Strengthen influencing and communicating skills

If you don't have KPI or metrics

Learn from the industry practices. Follow the below necessary steps to start building your own KPI or metrics system:

Step 1

Choose and develop your HRIS to store critical employee information.

To start with, you may use the Office Excel to create a database with these data:

- Employee biography

- Training record

- Qualification

- Knowledge, skills, ability and other attributes

When your needs in HRIS grow, you may consider upgrading to a subscribed platform, popular ones include: Workday, BambooHR, Namely, etc.

Step 2

Identify high impact talent

From the HRIS of these high impact talents, you now have a list of "desired competencies" for that position / function. These are valuable information for future recruitment, selection, and talent management purpose.

Step 3

Get benchmark data

From various authorities and institutes, you can benchmark essential HR KPI and metric with the industry. Here is a list of source and the data available from them:

Source	Benchmark Data	Website
HKihrm	-Pay trend & pay levels -Benefits -Training & development needs	https://www.hkihrm.org/index.php/rd/survey-products
Hong Kong Management Association (HKMA)	-Trends & challenges -Award for Excellence in T&D -HKKMA Quality Award -Best annual report award	https://www2.hkma.org.hk/
Recruitment agencies	-Job market outlook -Pay trend & pay levels	
Association for Talent Development (ATD)	-Global T&D trends -T&D salary & benefits -Training report by industry	https://www.td.org/atd-research
Hong Kong Government	-Labour statistics -Business performance	https://www.censtatd.gov.hk/home/

Reference

HR Metrics and Analytics: Uses and Impacts. Centre for Effective Organizations. University of Southern California.