

Working Group: HR Technology

hosted by Bloomberg

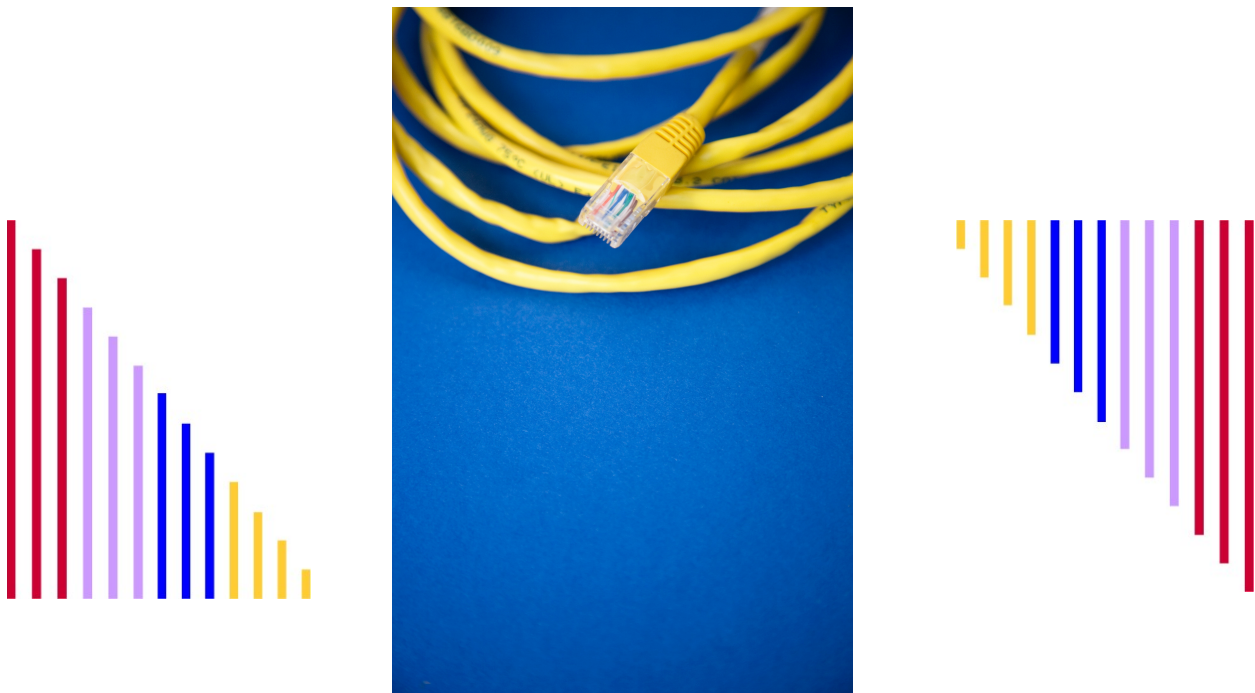
New York
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Key Takeaways

1. Companies are using HR technology to advance a number of different goals and objectives centered around talent, governed data democratization, operational efficiency, and decision-making.
2. At the same time, companies also need to navigate a number of potential pitfalls that surround the adoption of HR technologies, including the potential introduction of bias, concerns about data access and security, and the difficulty of integrating multiple systems into a coherent and consistent user-experience.
3. Although technology has been widely adopted in the talent acquisition domain, in the future it will likely play an increasingly important and impactful role in areas such as skills and careers as well diversity and inclusion.
4. Technology will shape the capabilities required of future HR professionals. A few capabilities that are likely to become increasingly important include analytical thinking, design thinking/employee experience, a business-first mindset, and soft skills.

Participating Companies

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Technology is reshaping not only work but also the delivery of HR services and solutions. In the area of talent acquisition, for example, new technologies have already been widely adopted. Nearly all Global 500 companies use recruitment and algorithmic hiring tools, ranging from applicant tracking systems (ATS) to video screening systems such as Hirevue. In other areas, such as coaching and diversity and inclusion, adoption is accelerating as new applications hit the market. While these technologies have the potential to help modernize the delivery of HR, they also raise a host of challenges. The use of automated hiring systems, for example, is not without controversy due to some of the legal issues that might arise. It can also be difficult to evaluate the potential risks and benefits of the new HR technologies being pitched by both start-ups and established vendors. And, it remains challenging to integrate and share data across different HR technologies.

This CAHRS working group began with a presentation by Peter Chiu, Head of HR Data & Technology at Bloomberg, who provided an overview of Bloomberg's HR technology journey. Peter explained that the primary goal of HR technology at Bloomberg is to help efficiently acquire and retain talent. To achieve this goal, he noted that it is important to account for some of the things that make Bloomberg unique. For example, the Bloomberg terminal acts as the portal for virtually everything within the company and about a third of employees are engineers. He also spoke about some of the key HR technology challenges facing Bloomberg, as well as many other companies. These challenges include integrating across multiple systems, controlling access to sensitive data, and dealing with regional differences in documents and processes.

Overall, this opening presentation served as an excellent launching pad for the ensuing group discussion that explored both the opportunities and challenges associated with the proliferation of HR technologies. A few of the key themes and insights that emerged during the day are summarized below.

HR Technology Goals and Objectives

The group began by discussing some of the primary goals and objectives driving their adoption of different HR technologies. As expected, most companies were using HR technology to support a number of different objectives, which generally fell into the following categories:

- **Talent:** As noted earlier, most large companies have adopted a number of recruitment and algorithmic hiring tools with the goal of enhancing talent attraction, screening, and selection. These technologies help companies to not only accelerate recruitment and hiring but also to better screen candidates on culture fit. In addition, companies are deploying HR technologies to help them prepare for impending retirement waves and to offer more end-to-end talent management solutions.
- **Governed data democratization:** Companies are using HR technologies as a means of making data more readily available to those, both within and outside of HR, who can best leverage it. The goal is to be able to push the right data out to the right people at the right time.
- **Operational efficiency:** Machine learning, artificial intelligence, and other emerging technologies hold the promise of streamlining a host of HR processes.
- **Decision-making:** Data visualization and business intelligence tools, such as Power BI, can facilitate insights and better decision-making around people.

Pitfalls and Challenges

In pushing toward these objectives, participants noted that it is also important to be aware of a number of potential pitfalls and challenges that accompany the adoption of new HR technologies. These include the following:

- The potential for bias: In “black-box” technologies it can be difficult to identify and remediate algorithmic and other sources of bias.
- Data access and security: While it is obviously important to safeguard sensitive data, it is equally important to prevent the mismanagement and misinterpretation of data. Since there are rarely universal rules that can be adopted, companies often have decided on a case-by-case basis whether someone should have access to particular data. This often results in a tendency to restrict access to only senior people, which can serve as a significant barrier to unlocking the value of the data. Accordingly, many companies are pushing to empower lower levels of the organization to be able to access and leverage data, often through a “one strike and you’re out” model.
- Surface-level solutions: Sometimes automation and other technology solutions are adopted as Band-Aid fixes for deeper level process problems.
- Integrating multiple systems and tools: When companies adopt a mix of different systems, often some external and some homegrown, the result can be “system spaghetti.” In addition, multiple versions of the same tool (i.e., a ChatBot) often sprout up in different parts of the company, which can lead to inconsistent experiences.
- User experience: It can often be challenging for employees to navigate these systems. To address this issue, some companies have used design-thinking methodology to better understand the user’s pain points and create a more user friendly experience, which typically involves bringing everything together in a single portal.
- Workflow transitions: Hand-offs in the technology workflow are common, either from one team to another or from the technology to humans. Given that these hand-offs often lead to a number of issues, including inefficiencies and process failures, companies are looking to eliminate them whenever possible. When hand-offs are inevitable, such as during hiring, they are adopting systems that provide individuals with greater transparency about where they are in the process.

Future Applications

As HR technology continues to evolve, there are a number of areas in which it may play an increasingly important and impactful role. A few of these areas are discussed below.

- Skills and careers: Currently, skill portfolios largely rely on employees to enter information about their experiences, learning, and accomplishments. However, by using artificial intelligence to analyze data drawn from various passive data sources, it will become increasingly feasible to infer employees’ skills. To leverage these insights for career planning and development will require that companies first develop a skills framework that aligns with different career paths.

- Diversity and inclusion: There is an opportunity to more fully leverage technology in the area of diversity and inclusion. For example, technology can help companies to better track diversity metrics across the enterprise and to monitor progress. In addition, technology may help companies to measure deeper levels of diversity (e.g., diversity of thought) as well as more accurately assess employees' experiences of inclusion and the factors that contribute to it.

Future Capabilities

As technology continues to transform the HR function, some transactional work will likely go away and new responsibilities will emerge. This will make certain capabilities obsolete and others more valuable. Although it is challenging to predict exactly what capabilities future HR professionals will need, a few likely candidates are analytical thinking, design thinking/employee experience, and a business-first mindset. In addition, soft skills will remain important because there will always be situations that require human interfaces.

This Summary Report was prepared by Brad Bell for participants of the HR Technology Working Group.

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