



Let's Talk About Employee Data Privacy [With Inputs from SAP SuccessFactors and ZL Technologies]

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The management, assessment, and use of data has shown astonishing results in every industry vertical. But it has also brought serious questions about data privacy into the spotlight. We spoke with Kim Lessley, Director of Solution Management at SAP SuccessFactors, and Kon Leong, CEO of ZL Technologies, for their insights on how employee data can be handled ethically in the workplace. In this article we talk about the most basic and primary safeguards for employee data privacy and how data can be positively applied to improve the employee experience.

“Data is the new oil,” we hear every so often. In many ways, it is a cold hard fact.

In the employer-employee relationship, companies have access to vital employee information through their personal data, their conversations with their colleagues, their interactions with clients, and much more. And they leverage this data to assess individual expectations or discontent and offer better work experience.

The big question, then, is this. Where do organizations draw the line when it comes to data collection and employee data privacy? How can they perfectly balance this sensitive and complex space?

To understand how companies can manage people information to offer meaningful experiences while protecting employee data privacy, we spoke to Kim Lessley, Director

of Solution Management at [SAP SuccessFactors](#), a cloud-based HR management system, and Kon Leong, CEO of [ZL Technologies](#), a leader in enterprise information archiving.

The Good, the Bad, and the Grey – Defining Sensible Employee Data Usage

Lessley says that data analytics techniques such as sentiment analysis are now a critical component of employee engagement programs. However, there is an inviolable line in the sand.

“It is important for companies to establish and roll out clear guidelines on how personal data can and cannot be used,” she adds.

An important practice she recommends is clearly communicating to employees a) why the company needs to track their data, and b) how this data will be used, and then seeking their consent.

“If employees know you are collecting data on them, but do not understand how it is being used, they will make their own assumptions, which could lead to bad data and distrust,” Lessley warns.

Leong, on the other hand, suggests that a company’s ability to control and manage employee data privacy is what makes effective privacy possible.

He is of the opinion that “maintaining employee privacy paradoxically requires an enterprise to have a strong grip on employee data. To achieve this, an enterprise must be able to identify, analyze, classify, manage, and remediate all employee data across the enterprise. This means controlling silos of data and having deep content analysis capabilities, including full-text indexing and pattern analyses.”

But this process has a possible pitfall. If no one oversees this process, it is likely that employees will be under a microscope. And they will be threatened by the constant surveillance, says Leong. “In order to circumvent this fear, strict oversight will be required, which will require its own conversation.”

Interestingly, both Lessley and Leong are clear when it comes to a zero-tolerance policy about data misuse.

“Data misuse is a sensitive topic that companies must feel out while staying in accordance with [new privacy regulations](#),” asserts Leong.

He adds, “Many of us assume that data misuse happens as a result of external breaches; however, a good deal of data breaches come internally.”

But he also offers a solution to the problem. “That being said, a good first step for organizations looking for guidance on managing employee data is to establish an information governance committee. Data management, and by extension privacy, requires stakeholders from all parts of the enterprise,” says Leong.

In addition, having strong [intranet security](#) is critical to maintain employee data privacy.

But this is a thorny terrain, believes Lessley. The incalculable challenge of unpredictable human behavior is more difficult to control than one may imagine.

“Ideally, a C-level executive would be accountable for ensuring that workplace data and technologies are used ethically,” she recommends. However, it is important that HR also be aware of what constitutes employee data privacy, what data misuse looks like, how to assess potential risks to data, and what a data breach is.

Lessons for Tomorrow: How Will Employee Data Be Used?

How much employee data do organizations really need? That is an important question HR must be asking their organizations.

One way to ensure that employee data privacy is upheld is by “practicing data minimization,” as Lessley puts it. “[This] means only collecting and storing the information you absolutely need, purging it when you no longer have a business need for it, and limiting access to employee data to only those who really need it for their positions.”

What lies ahead on the road to sophisticated and ethical data utilization?

1. Data will be used for training and leadership development

Lessley is of the opinion that AI will help companies streamline data usage, “hopefully within [ethical boundaries](#).” Employee data will help personalize training programs and accurately assess skill gaps with a focus on individualized leadership development.

2. Data will help you find hidden gems in your organization

Leong says that companies are just beginning to wake up to a gold-mine of positive possibilities with employee data. “For example, simply by analyzing the flow of email

communications, one can uncover the top performers, mentors, mediators, and the problem-solvers working behind the scenes. This is one of an almost infinite number of use cases that will help organizations increase productivity, reduce risk, and transform their workplace,” he says.

3. Data will help to foster greater diversity and inclusion

Lessley believes that one of the most inspirational impacts of this new “data epoch” is that unbiased insights will pave the way forward by “surfacing insights on pay inequity and recommending gender-neutral language in job postings.” These insights can help redefine the HR strategy.

Data Is the Future, But it Must Be Handled With Care

In his now-classic story introducing the comic book superhero Spider-Man, comic legend Stan Lee coined something unforgettable: “With great power, must also come great responsibility.”

Organizations now have access to an incredible and ever-expanding ocean of data. While this can be used to offer consumers the products they truly desire, it can also be mined to create a work culture that improves productivity and profitability.

However, there is always a ceiling – employee rights, individual freedom, privacy, and the assurance of a free and fair environment.

As data and hi-tech helps companies transform their core value proposition, enterprises will have to prioritize the ethical and social responsibility towards the data they collect and how they use it.