



## STUDY ON IMPORTANCE OF HR ANALYTICS PRACTICE



**Dr. Lalan Kumar**

Associate Professor, Management

Directorate of Distance Education

B.R.A. Bihar University, Muzaffarpur

E-mail : [lalankumar.ddebrabu@gmail.com](mailto:lalankumar.ddebrabu@gmail.com)

### Abstract

*The conditions of the market have brought about widespread adjustments to both the planned structure and the operation of the organisation. The present development in the global corporate environment, in which it is necessary to be effective, has been a causal factor in the functioning of the tasks and responsibilities of the Human Resource department. The*



---

*globalisation of business, the rapid advancement of technology, increased competition, as well as the growth and evolution of employees' priorities, capabilities, and other requirements, all combine to put a significant burden on today's organisations. Getting ahead of the curve on the HR transformations that need to take place by catching up with technological advances and preparing their actions accordingly. One of these innovations is known as HR Analytics, and in order for an organisation and its HR department to stay competitive, they need to understand and utilise it. HR Analytics provides assistance in determining the performance of a variety of activities and expanding insights into the effectiveness and efficiency of employees. This assists in the making of smarter decisions and contributes to the organization's development of a competitive edge. The field of HR analytics has emerged as an important instrument that helps identify elements that have a significant impact, assists in the construction of an understanding of employee activities, and contributes to the creation of an environment that fosters continuous and high-level performance. In light of the fact that Human Resource Management is critically important to the process of adding value to an organization's capabilities by means of HR Analytics, it is essential to comprehend the degree to which HR Analytics is to be applied and the manner in which it may contribute to the success of the organisation. The purpose of this study is to investigate how HR Analytics may contribute to the improvement of employee performance inside an organisation, which in turn can have an impact on that performance. Additionally, the significance of HR analytics practises and their applicability inside the organisation is investigated throughout this article. The purpose of this research paper is to*



---

*investigate and gain a better understanding of the significance of HR Analytics as well as its use in a variety of various HRM tasks.*

**keywords:** *HR, analytics, practice*

## **Introduction**

From a historical viewpoint, HR development has seen shifts away from transactional approaches, such as traditional approaches that focus solely on record keeping, and towards approaches that prioritise cost effectiveness and employee development. The advancement of technology has led to a shift away from conventional HR practises and towards transformational HR practises. The purpose of human resources has shifted from one of administrative support to one of strategic cooperation throughout the years. The progression of technology has been a significant driver that has pushed this evolution forward. The progressive development of HRM has been largely driven by the collection, storage, and analysis of data during the course of its progression. Still, throughout the course of the last several decades, scholars and practitioners have cast doubt on whether or not HR has successfully transitioned to a more strategic position. The capacity to create reliable information on people-related issues and to make strategic decisions regarding HRM that are based on facts has been one of the challenges. In recent years, there has been a rising idea that HR analytics may be the answer to these difficulties and enhance data-driven HRM in a way that could assist HR attain its strategic position. This confidence has been fueled by recent developments in the field. According to Bartels and Richey (2008), HR analytic provides assistance to the human resources department in the tracking of projects, absenteeism, monitoring and controlling schedule assignment, and tracking



---

the performance of each employee. The quantity of study that has been done on HR analytics is still very low, and as a result, the field's true potential is still up in the air. As a result, the goal of this thesis is to provide a more in-depth understanding of HR analytics and how it should be implemented. Additionally, the potential linkages between HR analytics and the more general idea of data-driven HRM are investigated. The strategic alignment of technology with human resources management is something that has to be investigated. Management of human resources is an essential function in every company or organisation. Practitioners of HR analytics should also get into the habit of regularly assessing and reporting on their progress. Because of this, HR and business executives will have a better understanding that progress is being made, even if certain stages may take many weeks or months to finish. It also gives a greater grasp of shifting priorities and emerging conclusions from the work done by Gardner, N., McGranahan, D., and Wolf, W. (2011) in both directions. Not only do businesses who are capable of leveraging on data-motivated decision making for their workforce do better than their competitors, but they also do better for other stakeholders. This is seen from the people management practises that Google has implemented, since the company has achieved an incredible level of success in the market by placing a significant emphasis on strategic people management (Sullivan J., 2013). The article "how Google is using people analytics to completely reinvent HR" shows how Google has reinvented their attention to people management, which has, in turn, helped them to achieve the number one place on the list of the top ten most successful organisations. It also illustrates how Google was able to transform the face of productivity by realigning their HR approach. Google analyses employee performance data to

---



---

decide the most effective course of action to take in order to assist both high-performing and low-performing workers in achieving their goals. (2010): Davenport, T. H. Harris, and J. Shapiro all contributed to the study. According to Lorenzi and Riley (2000), an organisation that wishes to be technically current and integrate new technology will need to cultivate leaders who are able to manage the organization's information system and overcome resistance from the workforce in order to achieve their goals. Utilising information technology is one way that human resources may address the challenge of simultaneously being more strategic, adaptable, cost-efficient, and customer-oriented, as noted by Snell, Stueber, and Lepak (2002). They point out that information technology has the ability to improve decision-making, speed up reaction times, reduce administrative expenses, and enhance customer service all at the same time.

### **Objective set for the study**

1. To comprehend and investigate the role that HR Analytics play in contributing to the improvement of employee performance in an organisation.
2. to investigate the significance of HR analytics practises and determine how they might be used to an organisation.

### **HR Analytics defined and explained**

"Workforce analytics allows leaders to improve the effectiveness of people-related decision-making and human resources strategy by analysing worker-related data using statistical models and other techniques," SHRM. The term "HR analytics" refers to a method that makes use of the human resource data that is kept by an organisation in order to determine the direct or

indirect influence that HR initiatives have on significant business results. HR professionals can no longer rely on their instincts or their years of expertise. It is imperative that one bases judgements on actual facts and numerical evidence. This has been shown to create value while also improving the utilisation of labour resources and the deployment of those resources. Analytics, which originates from the Greek word analutika and refers to the science of analysis, is defined in a number of dictionaries as the principles of mathematical analysis. In other words, it is the act of disassembling anything or breaking it down into its component parts in order to analyse it. Jac, F. E. (2010).

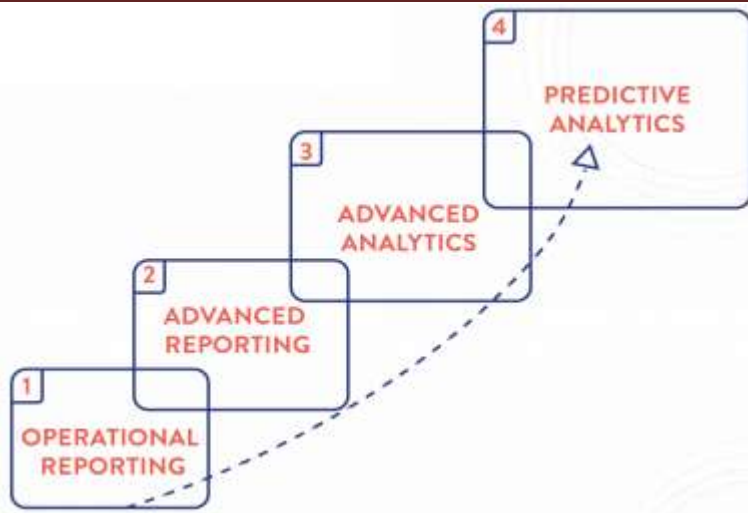
**Fig. 1 The Nature of HR Analytics**



Source: Jac, F. E. (2010). The New HR Analytics

According to Bersin et al. (2013), the HR Analytics maturity model consists of four stages, which are presented in figure 2. The model illustrates the stages at which the organisation is operating, as well as the level of HR Analytics that has been embraced and put into practise. In addition, it is stated that the organisation will mature as it moves farther along in the model.

**Fig.2 HR analytics maturity model and implementation progress**



Source: Bersin et al. (2013)

### Advantages of using HR Analytics

HR analytics are beneficial to the organisation in terms of retaining talent, keeping current personnel, and attracting new prospects. In light of this fact, businesses have been making substantial investments in information technology solutions that support a variety of human resource operations, such as human resource planning, recruitment and selection, performance management systems, legal compliances, employee engagement activities, and training and development. According to CIPD (2013), analytics has been called a "must have" capacity for the HR profession. It has also been called a tool for producing value and a way to augmentation of the tactical competence of the HRM department. Because of this, CHROs who are aware of the state of the business climate have been making significant investments in HR analytics in order to stay ahead of the competition. Deloitte (2016).



- 
- The most useful aspect of HR analytics is its contribution to manpower planning. This is because it helps with anticipating staff needs in terms of numbers and the skills needed to accomplish organisational goals and objectives.
  - HR Analytics assists organisations in recruiting candidates who are a good match for the organisation by distinguishing high achievers from misfits and low performers.
  - HR Analytics keeps a record of prior employee performance records in order to ascertain the available requirements of the organisation and offer the correct candidates from inside the company who have the necessary experiences and skill set.
  - HR analytics, by virtue of its analytical character, aid in thinking by revealing deficient policies, which are a primary source for employee turnover. This helps in keeping and sustaining high-worth personnel, which is one of the main benefits of HR analytics.
  - It assists in improving organisational performance by facilitating the making of timely and high-quality decisions about the acquisition, maintenance, and maintenance of talent.
  - It assists in the clear and straightforward identification of important performance fractions and pieces that have the potential to have a substantial influence on the performance of the organisation.
  - If an organisation does not measure employee turnover, HR Analytics can assist identify the possible attrition that might harm the organisation. It also gives the organisation the ability to take preventative steps to reduce employee turnover in the future.
  - HR analytics make administration and classification of the vast majority of HR operations more simpler. They also connect workforce





---

and financial data in order to better match human investments with business outcomes.

### Challenges faced in implementing HR Analytics

The test for any organisation that implements analytics is to get the most out of the facts and analytics starts with being able to grasp the industry well enough that you can conceptualise and communicate the questions that need to be addressed. Getting the most out of the facts and analytics is the test for any organisation that implements analytics. In addition to this, it is essential that the findings be communicated to the organisation in a manner that is not only clear but also useful. Fairhurst, P. (2014). Jim Link, who works for Randstad, predicts that human resource management will evolve into a field that places a greater emphasis on analytical thinking. The links between HR measures and commercial and financial success will become clearer with the inclusion of substantiation with proof, particularly as the technology advances and exciting findings inspire specific, deeper study. This is especially true as the technology evolves and as intriguing discoveries trigger specific, deeper investigation. KPMG. (2015). Deciphering large amounts of data in order to meet the needs of an organisation is the goal of HR analytics. In order to achieve this goal, HR must overcome the following challenges:

- Because HR practitioners lack a certain skill set and a knowledge of big data, HR is unable to exploit the existing data and develop meaningful information for key decision making. As a result, critical decisions are made based on intuitions and experiences rather than on facts.



- 
- In order to do analytics, a sophisticated information technology infrastructure is required, which may be out of the price range of smaller businesses.
  - One of the most significant requirements for the success of analytics is maintaining the data's privacy and confidentiality. This is because the process collects a large amount of private data, which, if it falls into the wrong hands, might cause problems.
  - People have a negative perception of HR Analytics because they believe it removes the human element from the human resource, which leads to resistance and prevents its application in decision making.

## RESEARCH METHODOLOGY

This research was carried out via a technique that included both primary and secondary sources of information. This was done so that the results of the study could be accurately represented. A significant quantity of secondary data is collected from the current body of research on the utilisation and impact of human resource practises in small and medium-sized enterprise performance. A questionnaire was utilised to collect responses for the empirical analysis of the study. The analysis of thirty different questionnaires that were collected in relation to the aims of the research is included in the findings.

### Simple random sampling

In this scenario, the selection of each person is left totally up to random chance, and every member of the population has an equal chance (also known as a probability) of being picked. In the same way that other techniques of probability sampling do, simple random sampling makes it possible to



---

compute the sampling error and minimises the effects of selection bias. One particular benefit is that it is the technique of probability sampling that is the least complicated to implement. One of the potential drawbacks of using simple random sampling is that it might not choose enough people who have the trait of interest to the researcher, particularly if that characteristic is rare.

### **Research Design**

As is common knowledge, the research design refers to the overall strategy that you choose to integrate the various components of the study in a way that is consistent and logical, thereby ensuring that you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data.

### **Descriptive Research Design**

The goal of descriptive research is to provide an accurate description of the present state of the Tan specified variable. These study endeavours have the goal of providing methodical knowledge on a certain occurrence. In most cases, the researcher will not start with a hypothesis but will almost certainly come up with one after analysing the collected data. The hypothesis is put to the test through the process of analysing and synthesising the data.

### **Data Collection Technique**



---

I will cover data gathering approach as interviews, observations (direct and participant), questionnaires, prior records, and pertinent documents. The incorporation of a variety of distinct interpretations and meanings into the data analysis process is made possible by making use of a wide variety of data gathering methods and sources. This helps to bolster the credibility of the results.

### **Sample size and tools to be used**

As most of us are aware, the word "sample size" is a phrase that is utilised in the field of market research for the purpose of identifying the number of individuals that are included in a sample size. We understand a group of participants that are picked from the general population and is regarded to be a representation of the actual population for the purpose of that particular research to be the "sample size." The sample size of a survey or experiment refers to the total number of individual samples measured or observations made during the process. In a similar vein, in order to have a clear outcome in the other study, I choose a sample size of at least 30 respondents. And will utilise resources such as Google Mail and Google Forms.

### **DATA ANALYSIS AND INTERPRETATION**

**Q1. Which of the following tools used in your organization to measure HR practices?**

The following table presents the number of replies provided by the workers in response to this question, as well as the proportion of responses provided by each employee:

**Table 4.1**

---



Tools	Res pon se	Perc enta ge
Power BI	4	25
Excel	10	62.5
IBM Workforce Planning	0	0
SPSS	1	6.3
Other	1	6.3
<b>Total</b>	<b>16</b>	<b>100</b>

According to the data presented in the table above, 25% of the workforce makes use of Power BI, 62.5% makes use of Excel, 6.3% makes use of SPSS, and 6.3% makes use of other tools in order to carry out HR practises inside their organisation.

### Graphical Representation:

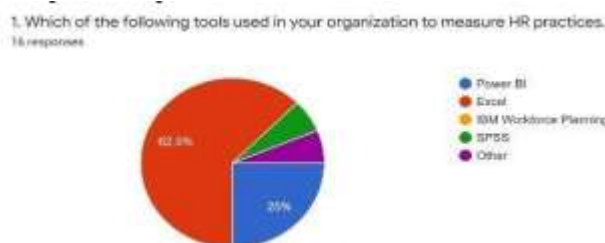


Figure 4.1



Findings: As can be seen from the graph and table presented above, the majority of individuals working for organisations utilise Excel, followed by Power BI, in order to ensure that HR procedures are carried out efficiently.

**Q2. HR Analytics are an effective solution in performing HR practices.**

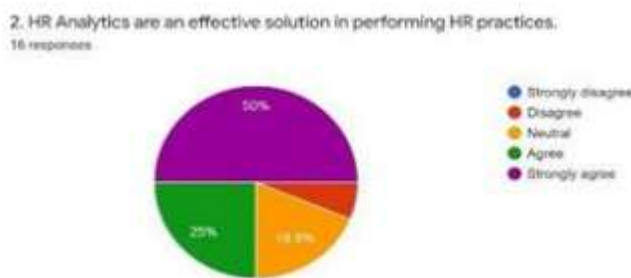
The table that follows displays the number of replies that were provided by the workers in response to this question, as well as the percentages of those responses:

**Table 4.2**

	Respon se	Percentage
Strongly Disagree	0	0
Disagree	1	6.3
Neutral	3	18.8
Agree	4	25
Strongly Agree	8	50
Total	16	100

Explanation: As can be seen from the table that was just shown, the vast majority of respondents believe that HR Analytics are an efficient way to solve the problem of conducting HR Practises.

**Graphical Representation:**



**Figure 4.2**

**Findings:** According to the data presented in the graph and table up above, the vast majority of workers at various organisations are of the opinion that HR Analytics provide an efficient answer to problems that arise when carrying out HR practises.

**Q3. HR Analytics allows us real time updates**

The following table presents the total number of replies received from workers in response to this question, along with the respective percentages of those responses:

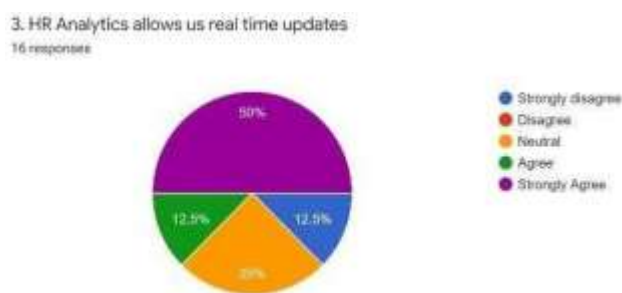
**Table 4.3**

	Res pon se	Perc enta ge

Strongly Disagree	2	12.5
Disagree	0	0
Neutral	4	25
Agree	2	12.5
Strongly Agree	8	50
<b>Total</b>	<b>16</b>	<b>100</b>

Explanation: It is clear from the data shown in the table that the vast majority of respondents are of the opinion that HR Analytics makes it possible to get real-time updates.

### Graphical Representation:



**Figure 4.3**

Findings: As can be seen from the graph and table up above, the vast majority of employees working for these organisations are of the opinion that HR Analytics provides us with real time updates.

### Conclusion





---

In conclusion, although there is evidence of considerable complementarities among information technology, HR analytics, and performance pay, other unobserved organisational practises that are connected with HR analytics and performance pay are not focused upon. This is the case despite the fact that these three facets of HR management have been shown to work well together. If human resources departments wish to play a strategic role in their organisations, they need to have the capacity to assess the ways in which decisions regarding human capital effect businesses and the ways in which businesses decide about human capital. Lawler, E. E., Levenson, A., and Boudreau, J. (2004) found that increasing the usage of information technology was a clear benefit in terms of the capability to adapt and improve capability for accomplishing organisational goals.

## Reference

- [1] Baron, A. (2011). Measuring human capital. *Strategic HR Review*, 10(2), 30-35.
- [2] Bartels S, Richey J. *Workforce Management– Impacting the Bottom-line* 2008.
- [3] Bassi, L. (2011). Raging debates in HR analytics. *People and Strategy*, 34(2), 14.
- [4] Bersin, J., O'Leonard, K., & Wang-Audia, W. (2013). *High-Impact Talent Analytics: Building a World-Class Measurement and Analytics Function - What works Brief*. Retrieved from
- [5] Davenport, T. H., Harris, J., & Shapiro, J. (2010). Competing on talent analytics. *Harvard business review*, 88(10), 52-58.
- [6] Deloitte. (2016). *Global Human Capital Trends 2016. The new organization: Different by design*



- 
- [7] Fairhurst, P. (2014). Big data and HR analytics. IES Perspectives on HR, 2014, 7-13.
- [8] Gardner, N., McGranahan, D., & Wolf, W. (2011). Question for your HR chief: Are we using our 'people data' to create value. McKinsey Quarterly, 2, 117-121
- [9] Higgins, J., Cooperstein, G., & Peterson, M. (2011). of Human Capital Management Institute (HCMI). Top Five Metrics for Workforce Analytics.
- [10] Jac, F. E. (2010). The New HR Analytics: Predicting the Economic Value of Your Company's Human Capital Investments. AMACOM.
- [11] KPMG. (2015). Evidence-based HR. The bridge between your people and delivering business strategy.
- [12] Mishra, S. N., Lama, D. R., & Pal, Y. (2016). Human Resource Predictive Analytics (HRPA) for HR Management in Organizations. International Journal of Scientific & Technology Research, 5(5).
- [13] Mondore, S., Douthitt, S., & Carson, M. (2011). Maximizing the impact and effectiveness of HR analytics to drive business outcomes. People and Strategy, 34(2), 20.
- [14] Snell, S. A. (2002). Virtual HR departments. Human resource management in virtual organizations.
- [15] Sullivan, J. (2013). How Google is using people analytics to completely reinvent HR. TLNT: The Business of HR, 26.