

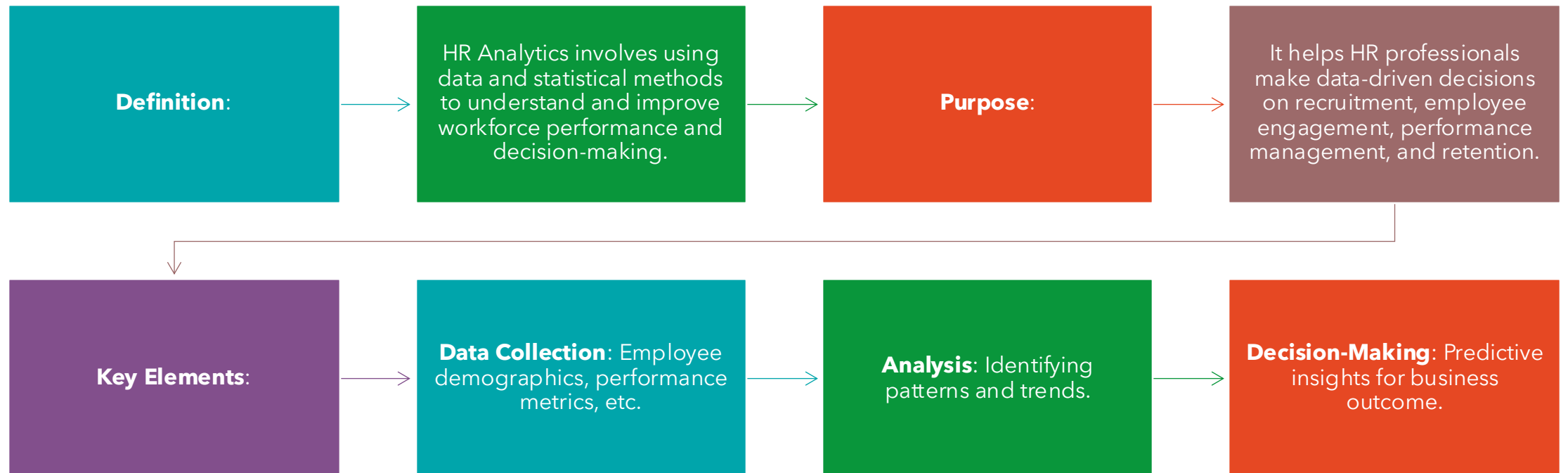
# HR Analytics



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# HR ANALYTICS

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# Origin and History of HR Analytics

Early Developments (1960s-1980s):  
HR analytics began with simple personnel tracking and administrative tasks. The introduction of HR Information Systems (HRIS) enabled better data management.

1960s-1980s

1990s

Strategic HR (1990s): HR shifted from administrative to strategic roles, using data for talent management. ERP systems, like SAP, helped integrate HR data across functions.

Emergence of HR Analytics (2000s):  
Companies began using data for predictive HR decisions. Pioneers like Google and IBM showed how analytics could drive workforce performance.

2000s

2010s-Present

Big Data & AI (2010s-Present): Big data, AI, and machine learning revolutionized HR analytics, enabling predictive and prescriptive insights on employee behavior, performance, and retention.



## Scope of HR Analytics

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**Talent Acquisition:** HR analytics enhances the recruitment process by analyzing data on candidate sources and effectiveness, helping organizations make informed hiring decisions.

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**Performance Management :**By measuring employee performance metrics, HR analytics identifies strengths and areas for development, enabling personalized training and improved productivity.

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**Employee Engagement:** HR analytics assesses employee satisfaction through surveys and feedback, allowing organizations to implement targeted initiatives that enhance workplace morale.

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**Workforce Planning:** HR analytics forecasts staffing needs by analyzing current workforce data and turnover trends, ensuring organizations have the right talent in place to meet future demands.

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**Diversity and Inclusion:** By monitoring workforce demographics and assessing diversity initiatives, HR analytics helps organizations create a more inclusive environment, driving innovation and business success.

# Applications of HR Analytics

- 1. Employee Recruitment :** Utilizes data to refine hiring processes by identifying traits of successful candidates. Predictive analytics helps select those most likely to succeed in the organization.
- 2. Performance Management:** Analyzes employee performance through key metrics, enabling tailored development plans and enhancing overall productivity by focusing on strengths and areas for improvement.
- 3. Employee Retention:** Predicts turnover by examining engagement data and feedback. This insight allows for targeted interventions, such as career development programs, to improve retention rates.
- 4. Workforce Planning:** Forecasts future hiring needs based on turnover trends and skill gaps. This proactive approach ensures optimal resource allocation and aligns talent acquisition with business goals.
- 5. Diversity and Inclusion:** Evaluates demographic data to assess and improve diversity initiatives. HR analytics helps measure the effectiveness of programs aimed at fostering an inclusive workplace.
- 6. Compensation Analysis:** Benchmarks salaries against industry standards to ensure equitable pay. This data-driven approach promotes fairness and aids in attracting and retaining top talent.

# Example: Enhancing Employee Engagement

**Company Context:** A large retail chain is experiencing low employee engagement scores, which correlate with poor customer service ratings.



**1. Data Collection:** The HR team conducts an employee engagement survey, collects performance metrics, and reviews customer feedback data.



**2. Analysis:** The analysis reveals a strong correlation between engagement levels and specific factors such as workload, management support, and career growth opportunities. They find that employees in stores with higher management turnover report significantly lower engagement scores.



**3. Intervention:** In response to the findings, the HR team implements several initiatives:

- Training programs for managers to improve leadership skills and foster a supportive work environment.
- Regular check-ins with employees to discuss workload and career aspirations.



**4. Results:** After six months, a follow-up engagement survey shows a 30% increase in employee engagement scores. Customer service ratings improve concurrently, leading to a boost in overall sales.

**5. Conclusion :** This example illustrates the powerful impact of HR analytics on both employee engagement and business outcomes. By using data-driven insights, the company was able to identify key areas for improvement, leading to targeted interventions that fostered a more supportive and engaged workforce. The subsequent rise in engagement not only enhanced employee morale but also translated into improved customer service and increased sales. Ultimately, this case highlights how HR analytics can serve as a strategic tool, enabling organizations to create a positive work environment that drives both employee satisfaction and organizational success. This proactive approach to HR challenges demonstrates the value of integrating data analysis into HR practices, ensuring that decisions are informed and aligned with business goals.

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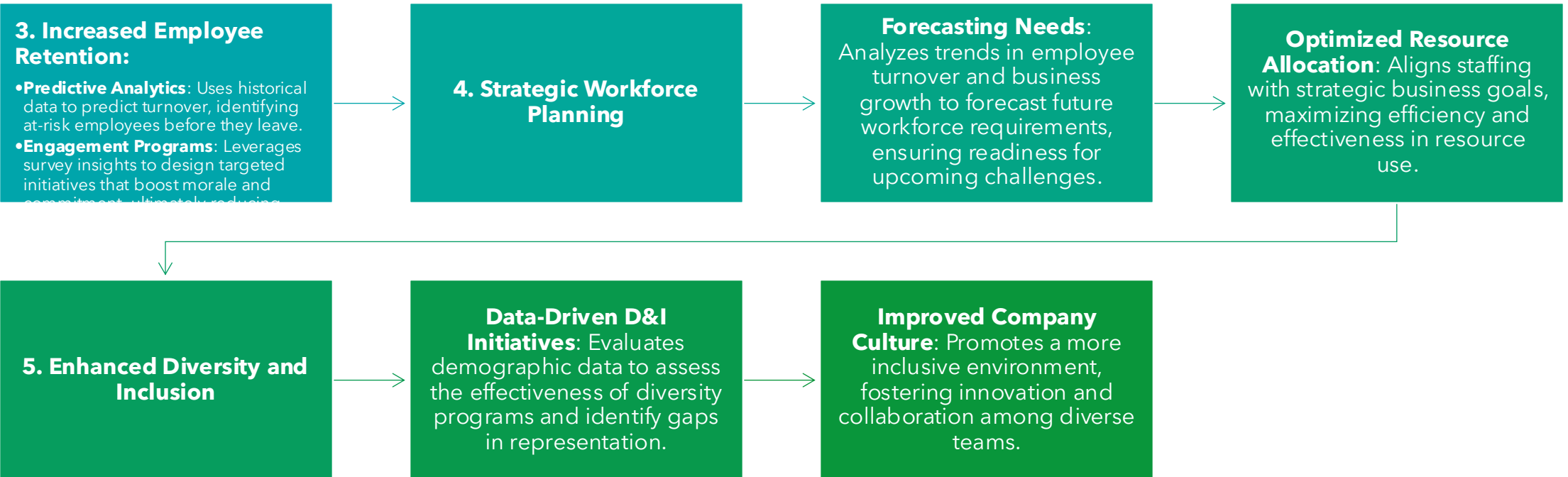


# Business Impact of HR Analytics

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# Conclusion and Key Takeaways



**1. Strategic Value of HR Analytics :** Transforms HR from a reactive function to a strategic partner. Empowers informed decision-making based on data insights.



**2. Impact on Business Outcomes: Enhanced Recruitment:** Streamlines the hiring process and reduces costs. Identifies training needs and boosts productivity. Proactively addresses turnover, leading to cost savings.



**3. Fostering a Data-Driven Culture:** Encourages a culture of continuous improvement and innovation.



Highlights the importance of integrating analytics into HR practices.



**4. Call to Action:** Emphasize the need for advanced HR analytics software and training. Regularly review HR strategies based on data insights