HR Analytics: A Tool for Talent Management

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Abstract--- *This is a conceptual paper on HR Analytics: The trend from traditional practices of managing people data to modern strategies of interpreting to data to take vital talent management decisions with special reference to hospital industry. The Human resource function of 21st Century has become more competent with the finest application of technology developments. HR analytics is playing key role in current volatile situation wherein business expectations have increased for better productivity & output. This empowers better judgement for talent using employee's statistics unlike banking on associations & faith. HR dashboards enables establishments in charting HR metrics with planned organization's goal. It mainly concentrates on trends of talent hiring, forecasting future requirements of HR, cultivating employee spirits and engagement. Analytics forms base for data elucidation to diagnose developments and take educative actions for gainful business operations. In this paper, the researcher has tried to highlights how HR analytics provides a multi – dimensional approach towards building a competent Talent Management approaches. The assessor has consolidated views of various HR researches and has concluded how HR analytics supports an organization in terms of its talent hiring, engagement & retention in such a volatile and highly competitive. This paper upraises significance of analytics in People function, practices and its applicability in various sub functions and how HR analytics have supported employers to passage from simple MIS reporting to evidence-based predictive decision-making.*

Keywords--- *HR Analytics, Talent Management, Workforce Analytics, Talent Hiring, Talent Engagement, Talent Retention.*

I. INTRODUCTION

Talent Management is the key challenge that any organization across industries are facing nowadays. To overcome this, organizations are using various Talent Management Strategies, however the most important one to give basis for these strategies to work upon is HR Analytics.

HR Analytics forms the base to carryout important decision on Talent Management by showing the rights numbers, prevailing trends in the form of HR reports, dashboards & MIS of an organization. The researcher aims to explore the role & present scenario of HR Analytics in Talent Management process and how this can be further strengthened in managing the talent pool in private hospitals of Delhi/NCR. This would be stated in my study under various aspects of Talent Management where HR Analytics plays a vital role: **Talent Acquisition, Compensation Management, Talent Retention and Talent Development.**

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Talent Acquisition: "Process of finding and acquiring skilled workforce as per the organization requirements".

Talent Development: "Process of enhancing knowledge, skills, and abilities of the available talent pool to help them in achieving their potential for the mutual benefit of the organization & the employee".

Employee Retention: "keeping talented employees and reducing turnover by nurturing a positive work environment to stimulate engagement, showing appreciation to employees, and providing competitive pay and benefits and healthy work-life balance".

Compensation Management: "Act of providing monetary value to an employee for the work they do by means of a company process or policy".

In today's era where big data, facts, figures, statistics is talk of the business world, the availability of the information is huge and that too at a click of a button. In this ocean of information, knowing better ways to capture the desired minutiae is the need of the hour. This gives prominence to data analysis and interpretation, especially in Human Resource function where workforce is one of the largest expense heads and one of the greatest risks, however it is also one of the top differentiators which can make or break the organization, yet HR has taken the back seat as compared to other business functions w.r.t analytics.

With huge volumes of data being generated by the various applications used by organizations, HR analytics as a tool that can provide critical insights into various aspects of the Talent Management. These insights can be leveraged to take informed and proactive decisions. It can be used to quantify Talent Acquisition, Compensation Management, Talent Retention and Development etc.

Talent management (TM) is defined: "Activities and processes that involve the systematic identification of key positions, development of a talent pool of high potential, development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization" [1]. "War for Talent" was declared at the end of 1990s, since then, talent management has emerged as one of the most conjoint terms in administrative and HRM specialist dictionary. [2]

One of the researchers done defined HR Analytics: "a methodology for understanding and evaluating the causal relationship between HR practices and organizational performance outcomes (such as customer satisfaction, sales or profit), and for providing legitimate and reliable foundations for human capital decisions for the purpose of influencing the business strategy and performance, by applying statistical techniques and experimental approaches based on metrics of efficiency, effectiveness and impact." [3-7]

At the commencement of past decade, "human resources analytics" had no position in the corporate world however at present a Web engine search for the same term produces plethora of readily available material.

If we talk about the usage of advanced analytics, HR is falling short of recognizing the urge to leverage the competences that analytics can offer. The cut throat competition for talent in the job market has made it problematic to fascinate and preserve the true talent. The young cohort of talent force depicts liberal attitude and hence anticipate a lot more from an organization and job role.

HR analytics plays a vital role in examining and improving HR output. It shortens the data metrics and advances the process of strategic planning, recruitment, learning & development, performance review and compensations. There are various uses where HR analytics can be leveraged for different aspects of people management that includes: Talent hiring, its Deployment, Retention, Development, Compensation Management, Cost Optimization, Managing risks, Enhancing customer experience, Employee satisfaction, Employee database etc. As per Deloitte, Technology has played a substantial role in bringing a paradigm shift in the ways organizations work. While People function has embraced technology in its systems & processes, there has been a remarkable up gradation in the value of HR services being accessible to the employees as well as to the employers which has enhanced HR experience as a function. [8]

Researches on Indian organizations have shown that only a handful of organizations are applying HRIS (Human Resource Information System) in decision making processes while others used it merely to fulfill operational activities. [9] Use of technology has not only increased HR's productivity by reducing its transactional burden but has also reinforced HR to become strategic business partner by sharing employee's statistics for premeditated verdict [8]. Similar to how technology has impacted HR service offerings, Analytics is also perceived as the next enabling tool of HR to have desired business outputs. [10]

II. INSIGHTS FROM THE PUBLISHED LITERATURES

Amplified research consideration has been given to talent management in recent years' because of its capability to generate and withstand competitive benefit for the organizations. [11-12]. In spite of rising interest in research less is identified on the ways HR analytics supports People management in health care/ medical set up.

Technology has massively impacted business decisions and management processes in the past few years [8]. Some call it the "Analytics Revolution which can transform organizations and cultures; however, researches on Human Resource analytics is still in its budding stage as organizations are facing challenges in understanding when, where and how leverage analytics for their gain. [13]

In comparison to other support functions like sales & marketing, finance & accounts, logistics & procurement. [14] HR is still facing challenges to leverage analytics to its full potential despite having vast employee related data. [15]

Using HR Analytics to show how this supports talent management strategies and to provide road map in integrating HR systems with organizational strategy has become the top most priority of the HR professionals. The magic number that will help organization to combat attrition, identify high potentials and envisage the impending success of its people asset. Organizations still lacks harmony on usage of analytics to take decisions related to talented workforce. [16]

HR Analytics helps in measuring both lagging & leading indicators of Talent Management functions. Lagging indicators reflects what has happened in the past whereas leading indicators helps in foreseeing future trend and corresponding outcomes. Leading indicators are the key differentiator of any organization as they evaluate the status of talent that led to the success of any organization's strategy. While HR professional have been relatively

efficacious at quantifying some key efficiency metrics example cost per hire, turnaround time to close a position, employee satisfaction level, however still significant opportunities exist to leverage HR Analytics as a talent management tool.

People analytics function of HR is experiencing a massive change. Compelled by the extensive embracing of cloud HR technology, businesses are capitalizing deeply in systems to leverage facts & figures for all facets of people planning, workforce engagement and day-to-day operational efficiency. A sub-line function - People analytics which started with a small technical group has now become majority. Human Resource Department are redesigning their technical analytics teams to shape out technologically empowered HR enterprise analytics provider. These innovative elucidations, irrespective of cultivated internally or implanted in new digital solutions, are enabling HR professionals to conduct real-time analytics at the need of the hour in business processes. This helps us in getting in-depth knowledge of problems and actionable vision for the professionals.

As per the survey conducted by Deloitte, three-fourth of the organizations perceive people metrics as a great significance in their officialdoms, however the same has been running in the slow pace. The fraction of organizations linking HR analytics to business results, carrying out predictive analytics, and positioning enterprise scorecards hardly altered from past years.

HR Analytics is realistic to an extensive variety of Talent Management aspects wherein Recruiting is on first position followed by performance management, compensation & benefits, manpower planning, and retention.[17]

People analytics function, which uses digital data and tools to quantify, account and comprehend employee progress, is passing through a transformation. Despite ages of devoting time and resources in cloud HR space and designing niche analytics teams, unfortunately business leaders and CHROs are pleased with the outcomes. HR analytics is no longer meant to find fascinating information and escalating it for managers rather now it focuses on using statistics to comprehend each and every portion of a Talent operation, and finding out practical solutions.

Leadership teams are intolerant with HR groups which are not able to present desirable facts and figures; hence HR Technology partners are providing a set of people dashboards which are accessible to the management aiding them to comprehend employee cost, hiring metrics, training cost, attrition and employee engagement. Leadership people now have admittance to a apparently several amalgamation of metrics to support them in comprehending, at indepth level that drives outcomes.

HR metrics can now analyse extra working hours that can instantly ascertain patterns of extra hours and other practices of payroll seepage, enabling perfections in financials through enriched practices in workforce management. Leading ERP vendors now provide dashboards that helps us in preparing retention models to understand drivers for attrition.

Technologically driven establishments are now observing at billing hours, travel data, login details, and other human performance statistics to support employees in improving their energy intensities, work life balance, health and business performance.

Initially, a separate group of experts was being appointed by outmoded HR organizations. However, nowadays, companies are embedding analytics into the profile of their complete talent pool as HR is now considered as an "intelligent platform".

As per current recruitment trends, trend, analytics is one of the essential skill set for a quality hire. Companies use diversity & inclusion percentage, interview tracker, parsing of resumes etc to reduce insensible prejudice in recruiting. Latest recruitment tools help in extracting social and local hiring data that have assisted organizations to identify potential talent who are "likely to look for new jobs" before being tapped by the competitors. More than half of the companies are now actively using external data and social media platforms to comprehend retention, attrition and other performance metrics which clearly states that usage of external sources of information for people analytics has shoot-up considerably.

HR analytics has matured from a niche expert teams to a thoughtful corporate function to cater needs of the stakeholders in terms of projection and forecasting though the adoption of the same is still limited. People metrics has undergone a paradigm shift from "pull" to "push," wherein analytics team not only builds models or does projections but also standardized the dashboards and reporting metrics to support stakeholders to perceive real time data.

Businesses that are embracing HR metrics & dashboards are fetching it into the heart of their businesses and using it to have informed business decisions. Accomplishment in the same requires prolonged time commitment and sustained investment.

A worthy specimen on the usage of talent analytics is the drive that Chevron undergone to maintain its profitability index and profits per employee during their hard times of fallen oil prices. To succeed in this goal, Chevron used HR Analytics to intensively focus on comprehending workforce productivity. It began with the niche specialized people function teams that delivered reports and consistent people metrics at centralized location. This was much required as employees then had variability in their operating methods, processes & practices and lot of man-hours got wasted in duplicity of data and analysis procedures to fetch the same reports.

The core team of 295 members was formed, across all functions of the organization comprising specialist, HR business partners and analysts to virtually gather and discus new techniques, design data models, share data and standardized metrics. Since range of skills are required in Analytics – from data analysis and problem solving to statistics and forecasting – this calibration supported team members to gain conjoint level of understanding & competency.

After two years of the reinvention of people analytics, there were substantial results. People analytics practice at Chevron's has intensely lessened the stretch to accomplish an analytics project and improved trustworthiness for all talent-specific conclusions; the functions now has homogenous metrics across the businesses for all people reports; and the crew is being referred for resolutions on restructuring, reorganizing and other imperative strategic business decisions. Paralleled with the earlier regionalized model, the fresh model drives at considerably lesser rate yet achieved 30% greater output, completing additional tasks with expressively less people that too in a reduced amount of time.

Basis above illustration, below are the 8 factors imperative to create an efficacious people analytics program:

1. **High-ranking level investment in HR analytics:** Organizations should invest in the function and requires leadership team's support, IT technical infrastructure, and a stout business-oriented front-runner.

2. **Strong leadership & ownership:** The specific team and the lead should own the early phases of an analytics work, even if that capability in due course becomes regionalized.

3. **Data Accuracy:** The input data should be correct, reliable, up-to-date and free of errors Coach HR's stakeholders and execute data governance programs to maintain authenticity of details and consistency across functions.

4. **A Multidisciplinary Analytics functions:** Organizing a multidisciplinary team across the functions, not just PhDs and statisticians. Data function, data quality, business acquaintance, data conception, and consulting skills are all imperative to success.

5. **Training on analytics fluency:** Regardless of whether the business function do the analysis themselves or have specialists supporting them, training for both HR and other business functions is imperative. Identify a curriculum or other partner to help with education, implementation of standard tools, and standardization of reports and dashboards.

6. **Strategize a 2-3year roadmap for venturing in analytics programs:** Endeavor should be to build analytics a new business function in the organization and hence investing in the same.

7. **Result Orientation:** The analytics function should focus on actions, not just findings to add value to the decisions.

8. **Integrate organizational, people and external data:** Progressive analytics programs more and more rely on the combination of data from external sources, operations & HR. Companies necessitate a facts approach that boosts the amalgamation and use of organized and unorganized statistics from external & internal sources.

III. CONCLUSION

From the read literature and study it is interpreted that the count of data sources will show upsurge in the next few years, leading to a combination of external and internal data in envisaging people behaviour and patterns. In prominent companies, analytics will become even more multidisciplinary. In due course, HR analytics will be entirely incorporated into organization's processes & systems and will always be the backbone for all decisions rather than a discrete information source.

Soon analytics technology will have the proficiency to deliver progressively tailored commendations. Since most of the analytics programs are sensitive in nature, organizations will likely to become more cognizant on the native guidelines concerning the usage of people details, data confidentiality and the danger of communal revelation of secluded information of the organization and its people.

For most of the companies, Talent Management is the biggest HR risk which can be mitigated by using analytics as a key component of a TM strategy and can then be transformed to be a biggest HR tool.

HR professionals have the best access to identify and obtain the right data, yet they lack skills & direction to analyze the same for the desired business outcomes. Few HR professionals who have their bend of mind towards analytics are so scarce to meet the organizations need for immediate valuable data.

HR Analytics supports all the aspects of Talent Management be it Acquisition, Retention, Compensation etc however still there is a long way to go in terms giving quick, readily available data that provide solutions on people subjects.

Readiness in terms of fair knowledge of people dimensions that drive performance remains a serious issue. The data authenticity & quality in HR stays to be a challenge. HR departments should leverage people data to provide solutions for a broad range of business problems and should move outside their own internal sight of data.

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