## EFFECTIVE WORKFORCE MANAGEMENT WITH HR ANALYTICS

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**ABSTRACT :**
*HR Analytics is widely used in organizations to collect and interpret data, which has enabled management to take wise decisions regarding their employees, which is a major part of decision making in an organization. It is a set of statistical tools that allow the HR analyst to come up with immediate data about employees and make accurate decisions that support the goals of top management. Analytics helps analyze and forecast data related to key HR metrics in employee value and performance. Using data to determine ROI when making strategic decisions will help your business grow. There are many articles that focus on the*

*conceptual part and the adoption of HR analytics in companies. This paper highlights the basic facts about the use of HR analytics as a tool for effective workforce management in organizations and considers the opportunities and challenges regarding the extent of its usefulness. This study only provides theoretical concepts based on secondary data collected from leading research papers and researcher opinions, company reviews and various blogs.*

**KEYWORDS :** *HR analytics, HR metrics, HR Analytics opportunities, HR Analytics challenges, Organisational Effectiveness.*

## 1. INTRODUCTION TO HR ANALYTICS

Human resource analytics which can also be called as workforce analytics or talent analytics one process that will help all organizations work effectively and efficiently with HR data, which will support the growth of their organizations. It is very essential in predicting key parameters that enable effective decisions to be made regarding a lot of employee data. HR Analytics is supposed to function as a tool that is a combination of statistical techniques that allow data collection, interpretation, measurement and forecasting. By leveraging analytics, HR professionals gain a deeper understanding of current employee movements, the future of the workforce, and the best ways to move forward with productivity. If firms have to fill a gap, there is a skills shortage and a growing demand for effective workforce planning. The ultimate task of HR managers has always been to develop the competencies and skills of employees. It is important to measure employee characteristics and performance, which can be done through workforce analytics to help transform data into quantifiable results. This will help in manpower planning for top managers and help in making strategic decisions. HR metrics allow you to understand whether the results of HR analysis are correct. It helps determine the effectiveness and efficiency of the company's personnel policies. Analytics tells what is happening, why it happened and

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what the result is. If there is an opinion at the management level in the company regarding the parameters of the employee, the data is taken to substantiate the opinion, analyzing the corresponding metric, it can be the cost of lost productivity due to absence, the cost of hiring and other relevant metric. Analytics helps identify the causes and tells how it affects the business.

The information helps identify pitfalls in evaluating HR metrics that generate insight between managers, ultimately helping to correct or average out the impact-reducing metric worse metrics. Human resource metrics (HR metrics) are key data that help companies analyze their human capital and measure how to find ways to leverage their human resources.

Examples of such HR data include parameters ranging from recruitment, employee engagement and retention, time tracking, employee value and performance, training and development to HR services and software. To stay competitive in a technology-driven world, businesses need to foster innovation, and this enables them more challenging to define employee metrics, but HR analytics helps to link performance metrics well as it helps track effectiveness of metrics on HR and business results. It helps to understand how to achieve business goals through analysis, prediction and creating quantifiable lasting results. Former HR analyst have focused on current data such as employee costs per hire, but today they realize consistent, overview is important for effective workforce management performance and workforce performance optimization and therefore it is crucial to recruit HR analysts with the skills and abilities to analyze how to achieve a better return on investment for the company through strategic human resource management. what It is important to note that the HR Analytics implementation process is beautiful. As known, HR Analytics is referred to as the process of collecting, processing, transforming and managing HR-related data, which is further given to analytical data models and the analysis process focuses on linking HR practices with strategic business plans and achieving desired goals. it uses a level of descriptive, predictive, and prescriptive methods that have their advantages.

The first level of analysis is descriptive analysis, which involves clear understanding historical data, so behavior only describes a relationship. Includes data usage visualization, adhoc reports, drill down, dashboards/score cards, SQL queries. It is possible to monitor turnover rate, rental costs and absenteeism rate using descriptive analysis.

The second level of analysis is Predictive Analytics, which involves predicting the future behavior and results based on past data and results. The methodology covered is the use of data mining, decision trees, pattern recognition, forecasting, root cause analysis, and predictive modeling. HR managers can predict attrition rates, the likelihood of employee success on the job based on the recruitment/selection methods used using predictive analytics.

The third level of analysis is optimization analysis, which involves achieving the best results using limited resources. The techniques used use linear programming, simulation, creating mathematical modeling.

## 1.1 Key areas of workforce management using HR analytics
HR Analytics is essential for the following areas which prove to be beneficial for better management workforce of the organization:
- Provides evidence-based corrective actions to reduce unwanted employee turnover enabling the right recruitment for critical positions and predicting top talent and successors organization.
- Helps take action by analyzing absenteeism rates and excessive factors absence, which will help maintain control over organizational well-being.
- Displays diagnostic data on revenue per employee (RPE), a measure of how every employee contributes to the organization.
- It helps to diagnose employee productivity index which helps to focus on employees performance and find those who perform well and differently.
- Helps assess employee morale and motivation levels.
- Provides rational quantifiable data on each employee's hiring cost validations.

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- Creates results to control employee training costs and thus control for unwanted expenses. This will help management to re-analyze their training also efficiency index.
- Plays a key role in employee retention and talent turnover rate and helps connect common factors.
- HR metrics, also called key performance indicators (KPIs), help to evaluate the effectiveness of the organization's goals and policies. Data from human resources analysis help with this quantify the costs and thus evaluate the impact of each HR policy practice provides areas that need improvement.

It provides enough valuable data chains for a complete strategic reform based on hard data and allows managers to leave room for adjustments to strengthen the company grow.

## 2. HR Analytics Challenges and Opportunities

Even before the advent of the World Wide Web, HR was always the only focus find ways to improvise employees' performance appraisal information, compensation, training and development, and others keep hard copies. How and when boom in technological innovation, there is great interest in transitioning from judgment-based actions to data-driven actions and decisions. For this summary data in order to reach a strategic decision, a decision-making pattern must be mined and consolidated for the workforce at hand. It is obvious that an organization must have a competitive advantage to survive in the long run and for that it is vital to have predictive analytics skills.

### 2.1 Possibilities of using HR Analytics

Normal HR functions exhibit dynamic and comprehensive accountability to all digital communication flow. In 2021, with this era of digital disruption peak, it is absolutely essential that HR focuses on taking over the keys decisions in key areas of their workforce in the organization. Considering that some of the possibilities of using HR analytics for effective workforce management are:

- **Better compromises in HR metrics:** Using diagnostic methods of human resources analysis organizations can apply historical and current trends and collect performance data that it will help sustain changes in company policies and yet manage the trade-offs between them higher and lower workforce impact metrics.
- **Enhanced competitive advantage:** Data and strategic workforce decisions helps the firm gain a competitive advantage in its day-to-day operations and thereby create planned goals
- **Authentic HR data:** Investing in analytics software will help the organization find results that are authentic and thus keep them transparent to stakeholders.
- **Increased productivity time:** Automate the use of many personnel subsystems analytical tools will free HR managers from their monotonous jobs and help them work for further questions,
- **Improved quality thresholds:** By properly analyzing employee data, all data in the organization is constantly audited, which will improve quality thresholds HR metrics.
- **Forecasting ROI:** Many organizations can increasingly use analytics in day-to-day HR operations and assess return on investment in key areas such as talent management, training and employee retention, as well as predicting the impact of human policies organizations.

### 2.2 Challenges in using HR Analytics

- HR analytical diagnostic tools are a daily necessity. HR managers should be concerned with the need for a broader perspective. Some of the many reasons that can be the cause of the delay in the implementation of HR analytics in the mentioned organizations are:

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**Fig.1. Opportunities of using HR Analytics    Fig.2.Challenges in using HR Analytics**

- Lack of cooperation from HR managers: HR managers sometimes refuse to indulge in advanced analytics that can be beneficial workforce.
- Lack of qualified HR analysts: There is a shortage of qualified HR analysts who know precisely for the use of innovative technology. It is important to have a skilled workforce that is specially trained for big data analysis.
- Burden of capital investment: There is a misconception about huge capital investment advanced HR analytics technologies built into machine learning so that the organization considers it a financial burden and cannot implement it.
- Lack of real data: Lack of legality and ethics of real employee data, which is prima facie in the proper administration of public affairs. Analytics thrives on data-driven decisions for which the data collected is very relevant.
- Lack of support from top management: The idea that cognitive intelligence software comes with a price tag combined with the loss of data integrity has top management that then they are reluctant to implement analytical tools to their advantage.
- Fear of hacking sensitive personal data: With all digital communication comes the fear of hacking sensitive personal data of employees increasing interest in HR managers and organizations.

**CONCLUSION**

HR analytics has been adopted by many giant IT organizations and started making better hiring decisions yet many still neglect it. Organizations need seriously consider the much accepted importance of using analytical tools to your advantage. But in across many industries, the immediate prospect of maintaining an effective workforce has all HR professionals looking forward to improved HR practices with analytics at scale forecasting employee turnover, attrition rates, learning and development, talent management.

This research paper examines secondary data and information collected from magazines, blogs and website on HR Analytics.

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