



HR ANALYTICS: A NEW METHOD FOR CONTEMPORARY HUMAN RESOURCE PRACTICE

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Abstract: HR analytics has emerged as a new method for contemporary human resource practice that utilizes data and analytics to gain insights into workforce performance and behavior. This qualitative research study aims to investigate the experiences and perceptions of HR professionals regarding the adoption of HR analytics in their organizations. The study is based review of 20 research papers published in the concerned area. The findings of the study suggest that HR analytics is becoming increasingly popular in organizations, but there are also significant challenges associated with the adoption and implementation of HR analytics.

Keywords - Human Resource Management, HR Analytics, Contemporary human resource practices, Data Analytics, HR Services, Performance Management, Predictive Analytics, Prescriptive Analytics, Talent acquisition, Retention, and Development, HR decision-making.

I. INTRODUCTION

Human resource management (HRM) is an essential function in modern organizations. HR managers play a crucial role in managing the workforce, including recruitment, retention, training and development, compensation and benefits, and performance management. However, HRM has been undergoing significant changes in recent years. One of the most significant trends in HRM is the use of HR analytics. HR analytics is a new method for contemporary human resource practice that enables organizations to gain insights into their workforce and make data-driven decisions. This paper reviews the literature on HR analytics and its impact on contemporary human resource practice.

Human resource management (HRM) has undergone significant changes in recent years, and one of the most significant trends in HRM is the use of HR analytics. HR analytics is a new method for contemporary human resource practice that enables organizations to gain insights into their workforce and make data-driven decisions.

The use of HR analytics has gained momentum in recent years as organizations increasingly seek to gain insights into their workforce's performance and behavior. HR analytics involves the use of data and analytics to inform HR decision-making, leading to improved talent acquisition, retention, and development. Despite the potential benefits of HR analytics, little is known about the experiences and perceptions of HR professionals regarding the adoption of HR analytics in their organizations. HR analytics is the process of using data analytics to analyze and make decisions about human resources.

II. EVOLUTION OF HR ANALYTICS

HR analytics has evolved over the years from traditional HR practices to a more data-driven approach. In the early days, HR analytics was primarily focused on descriptive analysis, such as tracking employee turnover rates, absenteeism, and recruitment metrics. In recent years, HR analytics has progressed to predictive and prescriptive analytics. Predictive analytics involves using data to predict future outcomes, such as employee turnover, while prescriptive analytics involves using data to make decisions about future actions, such as workforce planning.

III. EASE OF USE IMPLEMENTATION OF HR ANALYTICS

The implementation of HR analytics requires organizations to have access to reliable and accurate data. HR analytics can be applied to various HR processes such as recruitment, employee engagement, and performance management. The implementation of HR analytics also requires skilled data analysts and HR professionals who can interpret the data and make strategic decisions.

IV. BENEFITS OF HR ANALYTICS

HR analytics has several benefits for organizations, including improved decision-making, increased efficiency, and reduced costs. HR analytics can provide insights into workforce demographics, skills, and performance, which can help organizations make data-driven decisions about recruitment, employee development, and retention strategies. HR analytics can also help organizations identify and address HR issues proactively, reducing the cost of reactive problem-solving.

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VI. CHALLENGES OF HR ANALYTICS

Despite its benefits, HR analytics faces several challenges. One of the significant challenges is the quality of data. Organizations must ensure that they have accurate and reliable data to avoid making wrong decisions based on incorrect data. Another challenge is the need for skilled HR professionals who can analyze and interpret the data. Organizations must invest in training and development to build this capability. Additionally, HR analytics may face resistance from employees who may feel that the collection of data is an invasion of their privacy.

VII. LITERATURE REVIEW

HR analytics is a relatively new concept in the field of human resource management. However, the use of data analytics in HRM is becoming increasingly popular. The traditional approach to HRM relied heavily on intuition, guesswork, and experience. However, the use of data analytics in HRM provides a more evidence-based approach to decision-making. According to Becker, Huselid, and Ulrich (2001), HR analytics is the use of data to support decision-making in HRM. HR analytics involves the use of statistical techniques and software to analyse data and identify trends and patterns.

One of the key benefits of HR analytics is that it can help organizations make more informed decisions. HR analytics provides HR managers with insights into employee behaviour, which can be used to develop strategies that improve employee engagement, productivity, and retention. The use of HR analytics has also been linked to improved financial outcomes for organizations. According to Bersin (2013), organizations that use HR analytics are 2.6 times more likely to be top-performing organizations.

Success in our society is typically seen as being solely dependent on aptitude. People with high abilities can frequently demonstrate high accomplishment, whilst those with lesser abilities can frequently disappoint. However, previous research indicates that many bright individuals exhibit middling performance, while many students who might have seemed less bright actually achieve far more than one could have anticipated. Researchers theorized, in particular, that pupils may interpret accomplishments differently (Dweck & Elliott, 1983; Dweck & Leggett, 1988; Elliott & Dweck, 1988). Some researchers would view these situations as challenges to their expertise, while others might regard them as chances to pick up fresh information.

As a result, the focus of this chapter is on researchers' self-conceptions and driving forces. The review of the literature will provide a deeper comprehension of the psychological processes that pupils exhibit as well as understanding of the developmental origins of accommodating and adaptive functioning. In his work *People Analytics: Novel method to Modern Human Resource Management Practices*, Gupta B.N. (2018) came to the conclusion that People Analytics is a data-driven method to improving people-related decisions with the goal of fostering both individual and organizational success. An emerging scale for evaluating human resources is HR Analytics. (2017), Khan Hameem's study stated that HR Analytics become a must-have option for organizations. Analytics is all about decision-making by leveraging employee data, right from recruiting to retirement and so many tactics will be carried out.

VIII. OBJECTIVE

This qualitative research study aims to investigate the experiences and perceptions of HR professionals regarding the adoption of HR analytics in their organizations, based on a review of research papers published between 2010 to 2023. The objective is to identify the challenges associated with the adoption and implementation of HR analytics and understand how HR analytics is becoming increasingly popular in organizations.

IX. METHODOLOGY

The research paper is based on a systematic review of the literature on HR analytics. The paper draws upon academic articles, industry reports, and other relevant sources published between 2010 and 2023. The literature review was conducted using several databases, including ProQuest, JSTOR, and ScienceDirect, using keywords such as "HR analytics," "human resource management," "data analytics," "predictive analytics," and "employee performance."

The review of the literature reveals that HR analytics is a relatively new approach to human resource management. It involves the collection, analysis, and interpretation of data related to the workforce, including recruitment, retention, training, compensation, and performance. HR analytics allows HR managers to make data-driven decisions, identify patterns and trends in workforce data, and predict future outcomes.

X. FINDINGS

The literature also suggests that HR analytics has several benefits for contemporary human resource practice. First, it helps organizations to improve their recruitment and retention strategies. HR analytics enables HR managers to identify the factors that contribute to employee turnover and develop strategies to retain top talent. Second, HR analytics can be used to improve employee performance. By analyzing performance data, HR managers can identify areas for improvement and provide targeted training and development programs to enhance employee performance. Third, HR analytics can help organizations to optimize their compensation and benefits packages. By analyzing compensation data, HR managers can identify pay disparities and develop strategies to ensure equitable pay.

Finally, the literature suggests that HR analytics has some challenges and limitations. For example, HR analytics requires significant investment in technology and data analytics skills. It also raises ethical and legal concerns about the use of employee data. Therefore, HR managers need to ensure that they comply with data protection regulations and maintain transparency about the data they collect and analyze.

XI. CONCLUSION

The review of the literature suggests that HR analytics is a new method for contemporary human resource practice that has the potential to revolutionize the field. HR analytics enables HR managers to make data-driven decisions and improve workforce management practices. However, HR analytics also has some challenges and limitations that need to be addressed. Therefore, HR managers need to ensure that they have the necessary technology and data analytics skills and comply with data protection regulations. Overall, HR analytics is an exciting development in human resource management that has the potential to transform the field.

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