

INTRODUCTION TO HR ANALYTICS

(METRICS and PROCESS)

COURSE : HR ANALYTICS

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What is HR Analytics

- HR analytics is the process of analyzing data about employees to improve business outcomes. It's also known as people analytics or workforce analytics.

- HR analytics involves compiling, examining, and summarising HR data. It is also known as people analytics, workforce analytics, or talent analytics. It helps your company to analyse data to determine the effect of a variety of HR KPIs on overall business performance. In other words, HR analytics is a human resources management strategy based on data.

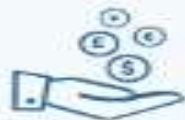
How HR analytics works

- Collect data: Gather data about employees, including their performance, engagement, and retention
- Analyze data: Use software to sort, analyze, and interpret the data
- Make decisions: Use the data to make better decisions about hiring, training, and other HR functions
- Measure impact: Measure the impact of HR strategies and processes

Benefits of HR analytics

- Improve employee satisfaction
- Reduce turnover
- Improve productivity
- Create better employee experiences
- Make more empathetic leadership
- Improve conflict resolution
- Make better decisions about diversity and inclusion

KEY HR ANALYTICS METRICS



Revenue per employee



Training efficiency



Involuntary turnover rate



Time to hire



Absenteeism



Offer acceptance rate



Training expenses per employee



Voluntary turnover rate



Time to fill



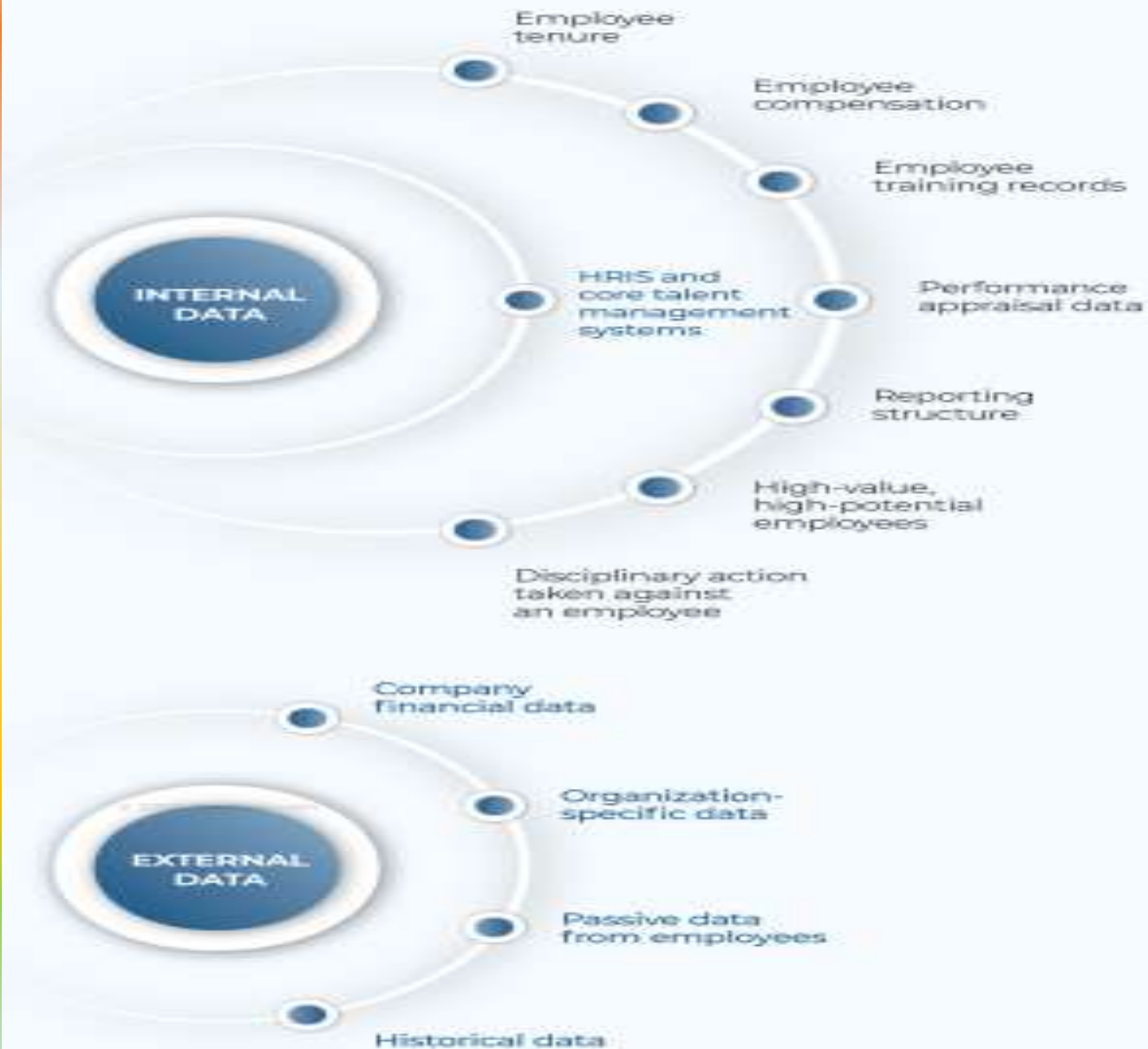
Human Capital Risk

Here are some common metrics tracked by HR analytics

- 1. Revenue per employee: Obtained by dividing a company's revenue by the total number of employees in the company. This indicates the average revenue each employee generates. It is a measure of how efficient an organization is at enabling revenue generation through employees.
- 2. Offer acceptance rate: The number of accepted formal job offers (not verbal) divided by the total number of job offers given in a certain period. A higher rate (above 85%) indicates a good ratio. If it is lower, this data can be used to redefine the company's talent acquisition strategy.
- 3. Training expenses per employee: Obtained by dividing the total training expense by the total number of employees who received training. The value of this expense can be determined by measuring the training efficiency. Poor efficiency may lead you to re-evaluate the training expense per employee.
- 4. Training efficiency: Obtained from the analysis of multiple data points, such as performance improvement, test scores, and upward transition in employees' roles in the organization after training. Measuring training efficiency can be crucial to evaluate the effectiveness of a training program.
- 5. Voluntary turnover rate: Voluntary turnover occurs when employees voluntarily choose to leave their jobs. It is calculated by dividing the number of employees who left voluntarily by the total number of employees in the organization. This metric can lead to the identification of gaps in the employee experience that are leading to voluntary attrition.

- 6. Involuntary turnover rate: When an employee is terminated from their position, it is termed “involuntary.” The rate is calculated by dividing the number of employees who left involuntarily by the total number of employees in the organization. This metric can be tied back to the recruitment strategy and used to develop a plan to improve the quality of hires to avoid involuntary turnover.
- 7. Time to fill: The number of days between advertising a job opening and hiring someone to fill that position. By measuring the time to fill, recruiters can alter their recruitment strategy to identify areas where the most time is being spent.
- 8. Time to hire: The number of days between approaching a candidate and the candidate’s acceptance of the job offer. Just like time to fill, data-driven analysis of time to hire can benefit recruiters and help them improve the candidate experience to reduce this time.
- 9. Absenteeism: Absenteeism is a productivity metric, which is measured by dividing the number of days missed by the total number of scheduled workdays. Absenteeism can offer insights into overall employee health and can also serve as an indicator of employee happiness.
- 10. Human capital risk: This may include employee-related risks, such as the absence of a specific skill to fill a new type of job, the lack of qualified employees to fill leadership positions, the potential of an employee to leave the job based on several factors, such as relationship with managers, compensation, and absence of a clear succession plan. HR analytics can be used to measure all these metrics.

DATA REQUIRED BY HR ANALYTICS TOOLS



THE HR ANALYTICS PROCESS



END