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HR Analytics as a Strategic Workforce Planning

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Abstract
The need of the proactive workforce planning is indispensable. A rapid change in technology and intense globalization is forcing the organizations to change its overall business strategy. The paper highlights how the strategic workforce planning provides a multi – dimensional approach towards building a human capital. HR analytics help to identify the skills and creating the leaders of tomorrow. Thus, with the help of HR analytics a strategic workforce plan will reduce attrition rate, mitigate risks and built a value added training culture for the organization.

Keywords: Workforce Analytics, Workforce Planning, Strategic Workforce, Human Capital Management.

1. Introduction

In the past two decades, the outlook on business has shifted to the global perspective. The micro and macro-economic conditions are forcing organizations to change the way they do their business. Also due to globalization, competition gets fierce day by day. This has forced the organization to align their HR strategy with the business goals and objective. Every strategy being framed by HR department has to be aligned with the overall business strategy. This belief shift indoctrinates from the varied product lines, service ranges and the magnitude of options available to the clients and customers. Quality, precision and cutting edge technology are the undeniable plea today and almost very organization adheres to these criterions. The pertinent question arising is that why a certain organization is a market leader, even though their competitors are similarly comparable in terms of superiority, pricing, serviceability and readiness. The solution lies in the proficiency of the Human Capital Management.

Workforce Analytics

Managing the Human resources is challenging for every organization. To effectively use the latent competencies and skills of employees has always been the ultimate task for HR managers. Measuring its attributes and performance is the crucial part of the HR department. These ultimate tasks can now be solved with the help of new IT based technology like HR or Workforce Analytics which helps to transform the raw data into insightful and quantifiable results. With the help of HR analytics various workforce planning can be made in a more strategic approach. This helps the organization to have an upper hand over its competitors, as human resources have always been the vital aspect of every organization.

Workforce Analytics is can be defined as an evidence based approach that contains the elements of business intelligence, tools and methods ranging from simple reporting of HR matrics to the predictive model. The purpose of HR analytics is to enable the organizations to make better strategic decisions on the people side of the business.

HR analytics can also be defined as the analytics which helps in the data constructing a storyline. It is mining the primary raw data for useful information ultimately relating the storyline to overall business goal. HR analytics processes the raw data and then tries to point out the various troubled metrics of HR and highlights the critical area to work upon which helps in making important strategic decisions for the top management.

How HR analytics meets the challenge: Literature Review

HR analytic helps the human resources in tracking projects, absenteeism, monitoring and Managing schedule assignment, and tracking performance of each employee. (Bartels S, Jay

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Richey J, 2008) [2]. Workforce Analytics is the ultimate tool for making a strategic workforce planning. HR Analytics today is targeting critical workforce metric that link workforce strategy to business results that finally provides HR a seat at the table and the integrity to make business and workforce strategy decisions by identifying cost savings opportunities, improving the retention of key talent and increasing workforce productivity and efficiency (Higgins J., Cooperstein G and Peterson M, (2011) [3]. Organizations that are capable of leveraging in data driven decision making for the workforce not only outperform their contenders, but also profit higher value to shareholders and be in a better placed to meet workforce and business demands for the future.

Google has reached an extraordinary success in the marketplace by focusing on strategic focus on people management (Sullivan J, 2013) [11]. In the article "how Google is using people analytics to completely re – invent HR" explains how Google has reinvent their focus to people management which has in turn help them to become No. 1 spot in the list of top ten successful companies. It also explains how by re aligning their HR strategy Google has changed its face of productivity.

Significance of HR analytics in Strategic Planning
Workforce analytics has become a vital part of strategic planning in the HR department. HR managers today, make the decisions regarding their workforce based on the analysis of HR analytics. Every decision relating to human resources needs to be taken seriously. Hence HR analytics aids the HR manager to have a look at different perspectives and considering every aspect of human resources various strategic decisions are made. Hence HR analytics plays a critical role in strategic planning in the following ways:

- It helps to understand what is going on inside the organization
- It aids in framing what action should be taken
- It helps to track whether the implemented solution works or not.
- It also helps to track the measure of the impact of business improvement initiative.
- HR analytics helps to predict certain outcome which might happen, foreseeing which a strategic plan to tackle the problem can be calculated.
- Its purpose is to accurately track the problems in the business and formulate the strategic solution and track if the implementation is successful.
- With the help of HR analytics, HR leaders can clearly identify and communicate precisely where the company's investment in human capital is paying off.
- Helps in forward looking workforce planning by anticipating the future demand and supply of talents both locally and globally.

HR Analytics as a Strategic Component
For organizations to have a competitive edge, aligning core business objectives with Human capital strategy is a need of the hour. Various HR matric needs to identified and these matric are measured in order to bridge the gap between other functional parts of the organization. For HR Analytics to function properly various components of HR matric are needed. This analysis normally consists of appraising employee recruitment, promotion and turnover strategies. The analysis also reveals the hidden roots of overtime, absenteeism, and low productivity. This analysis contains the major component for framing strategic planning by the HR managers. These components also act as parameters for analytics to function accurately. They are:
- Recruitment and selection
- Succession planning
- Performance management
- Training & development
- Turnover rate

➢ **Recruitment and selection**: This is the major component which plays a vital role in designing any strategic plan. Human resources are a crucial and immense part of the organization. So, the organizations they invest a lot of investments in human resource projects. Hence the HR managers need to accurately design recruitment plans so that the investment made will be fully utilized in recruiting the right person for the right position. Hence HR analytics aids the HR managers to design an accurate recruitment plan which helps in analyzing the right candidate for the current vacant position thus reducing the cost. If the wrong candidate is selected then it will end up costing more money to the organization as they have to do the whole process once again wasting time and resources. Hence HR Analytics acts a strategic component for recruitment and selection purpose.

➢ **Succession Planning**: Another key vital area of HR department is succession planning. As the days past, every human being gets retired or they leave the organization. For such situations, an organization has to prepare themselves to fill up that vacant position as soon as possible so that productivity will continue. Succession planning plays a vital role in this aspect. Predicting who is capable of succeeding the important position is very difficult. The performance of the selected candidates has to be analyzed. It is not possible to track the employee's performance over the years. But HR analytics assist the Senior HR management to track the performance of the star performers who are capable to succeeding the said vacancy. A series of analysis are done through predictive analytics, quantitative modeling, and reviewing the performance of the employee's for years then the outcome helps the HR management to decide who is capable of succeeding such an important position. Thus HR analytics again becoming the key element for strategic planning as succession planning is the provision of in- house replacements and retention of key talents.

➢ **Performance Management**: Another essential role in framing organization's HR framework is the performance management. Its basic purpose is to track the employee's performance enhancement as well as fulfillment of organizational goals. A well designed performance plan enhances the Managers capability to track and understand its top star performers among the overall workforce. It stimulates the managers to develop and plan a strategic policy, set specific targets, track the performance and sustain significance design, thus by providing competitive

edge for the organization. HR analytics thus assists the HR managers to track performance of its employee's in an accurate method which in turn helps to spot the star performers and thus leading to better organizational developmental plans.

➢ **Training & development**: Another vital area for framing the HR framework is training and development. Identifying the training needs helps the HR management to improve the productivity of the employees. After scrutinizing the performance of the employees, identifying the training needs is the next important step. Developing training and development plans helps the organization to boost its employee's productivity rate. It gives the employees a chance to perform better in the future to increase their productivity and in turn generating more revenue. A rapid change in the technological scenario, global competition, exportation of jobs etc. forces the organization to focus its needs for training and development. Thus HR analytics helps to identify the employees needing the training for better performance.

Thus for designing a sound HR policy, HR analytics plays a crucial parts from every aspect. Every aspect of HR matric can produce an evidence based outcome with the help of HR Analytics. Hence HR analytics has become a vital component for the strategic planning in the organization.

Conclusion
Intense global competition and rapid changes in technology is forcing organizations to change its basic strategy. Today, every organization must focus its attention on aligning its HR strategy with overall business goals. The practical workforce planning is the need of the hour. The rapid changes in the business today are causing intense competition among organizations. Hence to have an upper hand over its competitors, organizations must establish HR analytics for yielding accurate and real time information. HR Analytics thus help the organization to design a strategic workforce planning by analyzing the every aspect of HR matrics.

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