

Research Article

# HR Analytics as an HR Auditing Technique to Evaluate the Effectiveness of Human Resources Practices

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## I N F O

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**How to cite this article:**

Patil A. HR Analytics as an HR Auditing Technique to Evaluate the Effectiveness of Human Resources Practices. *J Adv Res HR Organ Mgmt* 2022; 9(1&2): 26-29.

Date of Submission: 2022-03-02

Date of Acceptance: 2022-04-10

## A B S T R A C T

This study paper focuses on HR Analytics as a tool of HR Auditing and its influence on organizational performance and the competitiveness of enterprises. Over the course of the last three to four years, businesses have begun to implement analytics systems across a variety of their operational domains in response to the expanding impact of globalization and technology. One of the divisions deals with the management of the available human resources. Therefore, it is obligatory to know your manpower, their competence, talents, and capacity to conduct job using HR Analytics. Reviewing and aligning the workforce is extremely vital to assess Return on Investment (RoI). As a result, HR Analytics is an essential tool in the HR Audit system. This tool is highly important not only for the organization as a whole but also for the development of individuals working in the organization. HR Analytics has the potential to drive a variety of different HR tasks, including workforce planning, scheduling, incentive schemes, salary estimations, pay budgeting, and employee relations. It provides valuable insights for general managers and HR leaders, allowing them to make key talent decisions, compensation systems, organizational design, and allocation of HR analytics for training budgets as a “must have” capability to ensure that HR analytics as a “must have” capability that will ensure HR’s future as a strategic management function while simultaneously transforming organizational performance for the better levels.

**Keywords:** HR Analytics, HR Practices, HR Audit, Manpower Planning, Recruitment and Selection, Succession Planning, Performance Management, Training & Development, Employee Attrition

## Introduction

The human resource management department is the type of department that is the type of department in which a good number of activities govern the role of human resource development skills, techniques, and attitudes, as well as behavior, potential, and training programmers for various levels of management. Auditing is a method

of approach and a control device that serves to assess both the performance of a business and the management with which it manages its human resources. It involves investigation, analysis, and making comparisons between different aspects. “Personnel auditing” is defined as “an examination and evaluation of policies, procedures, and practices to determine the effectiveness of personnel management,” as stated by Dale Yoder.

When it comes to auditing human resource procedures, one of the most recent and cutting-edge growing ideas is human resource analysis. The potential of analytics is enormous; it has the potential to replace conventional auditing systems with evidence-based initiatives, data-driven decision making, prioritizing the effect of HR investments, bringing HR rigor, and complementing HR intuition objectively. The majority of HR analytics, on the other hand, has been around for some time, and topics like as HR measurements, utility analytics, HR dashboards, HR ROI (return on investment), and the economics of personal have been discussed. The HR functions are the primary focus of HR Analytics. HR professionals are essential specialists in closing the gap between workforce planning and organizational transformation and development. To acquire better outcomes in the success of the firm, it is extremely vital to know your employee, which is why managerial competency is so crucial. It is possible to support the development of one's skills via the participation in productive training and development activities. Examine fundamental abilities such as human skill, technical skill, and concept skill, among others. Training as well as climate and change: The impacts on the environment need to be preserved and kept under control in terms of both time and money in order to facilitate better transformation and development via training.

### Objectives of the Study

- To have an understanding of how HR Analytics may be used effectively
- In order to have an understanding of the significance of HR Analytics for HR Features
- Utilizing HR Analytics to evaluate the organization's potential for sustainable-term growth and development.

### Research Methodology

The study design of this paper is fixed, and the majority of the data collected are secondary data. For example, secondary data retrieved from databases such as EMERALD, EBSCO, and Google Scholar were used.

### Review of Literature

According to K Vijayaragavan and YP Singh's article from 2007, they stated that "The results recorded in this article form part of the extension of human resources management defined by the HR Audit." To improve the capabilities, levels of motivation, and overall productivity of extension workers, it is vital for extension organizations to engage in careful planning and management of the activities related to their human resources.

In his article, Kelli W. Vito stated that "The results reported in this article are part of "The HR Audit: adding HR to the standard audit cycle will help to establish some significant risks that the HR audit identifies, including the key functional

areas of workforce planning, employee development, compensation and benefits, employee and labor relations, and risk management." The results that are reported in this article are a part of "The HR Audit: adding HR to the standard audit cycle will help to establish some significant risks that the HR audit identifies" (Fritz-enz, (1995) when a book on "How to Quantify Human Resources Management" was released in 1984 by Jac Fritz-enz, a pioneer in Human Resource Management measurement (HR analytics is a technology-enabled HR practice). Fritz-enz, (1995).

Because it can be traced all the way back to the early 1900s, Human Resource (HR) Analytics is not a new paradigm that is growing in popularity today (Kaufman, 2014)

S. Bartels, J. Jay Richey, and J. Bartels (2008) The use of HR analytic provides assistance to the human resources department in auditing projects, determining absence rates, monitoring and managing scheduling tasks, and determining employee performance.

Both Kapoor and Sherif (B. and J.) (2012). The process of obtaining, storing, transforming, and handling data pertaining to human resource management in preparation for further analysis with the use of analytical tools and models is referred to as HR Analytics.

According to Marler and Boudreau (2017), HR Analytics is a methodology that gives managers the information they need to relate HR operations to the behaviors of workers and, eventually, to the results of the business.

### HR Analytics as a Module for Strategic

The alignment of an organization's main business goals with its human capital strategy is a must at the present if the organization wishes to have a competitive edge. There are many different HR metrics that need to be established, and then those metrics need to be monitored in order to bridge the gap between the HR department and the other functional elements of the organization. It is vital to have many components of the HR measure in order for HR Analytics to work effectively. Evaluation of methods for employee recruitment, promotion, and rotation is a common component of this kind of analytics. In addition, the analytics bring to light the underlying causes of unscheduled overtime, absenteeism, and poor productivity. This analytics report includes the primary component that human resource managers will need to use to define strategic planning. In order for the analyses to be carried out correctly, these components also serve as parameters:

- Manpower Planning
- Recruitment and selection
- Succession planning
- Performance management
- Training & development

- Employee Attrition
- Manpower Planning

The strategic planning process in the human resources department now includes a workforce study as one of its most vital components. Human resource managers in today's organizations base their decisions about their workforce on data derived from human resource analytics. Every choice that involves human resources must be approached with due consideration.

- Facilitates gaining an understanding of what is going on inside the organization
- Provides direction about what course of action should be taken
- Assists in monitoring the effectiveness of the currently deployed solution
- Tracking and measuring the initiative's influence on the company's business performance is also made easier by this
- Contributes to forward-thinking workforce planning by predicting future demand and supply of talent on a local as well as a global scale
- HR analytics helps assistance in predicting specific outcomes that may take place, so assisting in the calculation of an appropriate strategic plan to manage the issue
- HR executives are able to clearly identify, plan for, and convey the specific areas in which the company's investment in human capital is paying off with the assistance of HR analytics

### Recruitment and Selection

This is the primary element that constitutes a vital contribution to the design of any strategic plan. The organization places a substantial and critical emphasis on its human resources. Therefore, businesses put a significant resource of money into various initiatives related to human resources. Therefore, managers of human resources need to precisely design recruiting strategies in order to ensure that the investment made is used to its maximum resource in order to employ the right individual for the right role. As a result, HR analytics helps HR managers to design an accurate recruiting plan that helps in analyzing the right candidate for the current empty job, which ultimately results in cost savings. If the incorrect candidate is chosen for the time, it will wind up costing the organization more money in the long run since they will have to start the process all over again, wasting more time and resources in the process. As a result, HR Analytics plays a role as a strategic component in the selection and recruiting process.

### Succession Planning

In the section of the human resources department that is responsible for succession planning, this is an extra key.

Each and every human being eventually retires or departs from the organization. In these kinds of circumstances, an organization has to make plans to replace the empty job as quickly as they can in order to maintain their level of production. In this respect, succession planning is a very important activity. It is quite challenging to determine who among the candidates is capable of achieving success in the essential post. It is necessary to do a performance of the applicants' past performances. It is not practicable to monitor the performance of employees over the course of many years. However, HR analytics provide senior HR management with the ability to monitor the performance of star workers who are capable of filling that gap. The human resources management helps the results of a number of analyses, including predictive analytics, quantitative modeling, and reviews of employees' performance over the course of many years, to determine who is qualified to hold such a significant role. The supply of internal replacements and the retention of key talent are the two most key aspects of succession planning. As a result, HR analytics emerges as the most important factor in strategic planning once again.

### Performance Management

Performance management is an additional critical function that plays a vital part in the process of building the framework for the organization's human resources. The primary objective of this system is to track the improvement of employee performance as well as the accomplishment of organizational objectives. When managers have access to a performance plan that has been thoughtfully crafted, it improves their capacity to track and comprehend the workforce members that perform the best overall. It helps managers to define and plan a strategic strategy, set precise targets, track performance, and maintain a purposeful design, which ultimately provides competitiveness. Therefore, HR analytics helps HR managers to track the performance of their workers in an effective manner, which in turn helps to identify the star players and therefore leads to improved development plans in organizational settings.

### Training and Development

Training and development is another crucial aspect that should be framed as part of the human resources framework. Improving employee productivity is made easier by HR management that helps the time to identify training needs. Following the completion of an employee performance review, the next significant step is to determine what needs of training are required. Increasing the amount of time and development that helps into employee training and development is one of the most effective employees for an organization to boost the productivity of its workforce. Employees are provided with the chance to improve their performance in the future, which may lead to higher levels of productivity and, as a result, more revenue. The

organization is forced to concentrate on its needs for training and development as a result of fast changes in the technical landscape, global competitiveness, and the export of employment, among other factors. Therefore, HR analysis is helpful in determining whether employees need more training in order to improve their performance, as well as the cost of providing that training. As a result, HR analytics is an essential component in all facets of the process of formulating an effective HR policy. With the use of HR Analytics, a result that is supported by data may be produced from every facet of the HR measure.

### Attrition of Employees

The term “abandonment of employees” refers to a steady decline in the total number of employees within an organization as a result of factors such as retirement, resignation, or even death. Nevertheless, attrition rates may differ from one industry to another based on the norms, terms, and policies of the organizational organizations. The issue of high talent attrition is a severe one, but it is one that can be solved by any sector of the economy and the rates that are responsible for driving it.

### Conclusion

Human Resource Analytics is a prevalent practice that advocates for an objective and open assessment of the workforce inside an organization. It helps to the closing of the communication gap between employers and employees. Its purpose is to operate as a decision-making support system for HR practices, with the aim of ensuring that good ROI principles are adhered to. This will allow for the tracking and identification of improvements in organizational performance as well as employee performance. The Human Resources department is undergoing a complete revolution as a result of the introduction and acceptance of HR Analytics. Therefore, it is essential for businesses to place their attention on the department as a whole in order to provide it the ability to play a more strategic role and to be more capable of attaining the objectives and goals of the company. It makes it easier to take precise steps that will assist reduce employee turnover and improve things like orientation and training, working conditions, compensation, benefits, and prospects for future promotion.

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