CHAPTER NO 1

INTRODUCTION

The advanced internet and technology have brought in immense changes in the existing business of today’s world. We live in the world of information, where all business entities would want to create a competitive edge in the elevating global market (Hitt, Wu & Zhou, 2002). New innovative methods have to be adopted by any organization to match with the competitive world today. The success of organizations depends on the learning and adoption of new process and techniques in all departments of the business. Apart from the existing system, organizations are showing an immense development with inculcating the information technology (IT), especially in the area of human resources.

The various internal and external forces have made an impact on the business today for adopting new systems and technology in various departments in an organization, hence this has led to increased pressure on human resources department to adopt new technologies and to match with the increased competition and rapid economic development. With the organizational size, there is an growth found in the human resources management which shows that there is a necessity for generation of human resource reports and employee data should be maintained in organizations to adopt Human Resource Information Systems (Tripathi, 2011).

With the adoption of human resource analytics and various metrics, an organization can achieve better progress and also can create an competitive edge in the society. One main objective of any business organization is cost reduction and adoption of human resource analytics can play an effective role in achieving this objective and also it enhance the HR system (Wiblen, Grant & Dery, 2010). We can find extreme development in the field of human resources for more than a decade, it has been giving its continuous support to the organizational activities like screening, processing applications, scheduling interview, conducting written test, medical testing, personal interview, stress interviews, new employee hiring, contract hiring, orientation, training, performance appraisal, payroll issues, attendance management, succession planning and others. However with the usage of different metrics in all these fields, say for instance,
through online required job advertisements with the web sites at corporate level, online database management and managing appropriate electronic applicants can be made. The major role of HR analytics is to collect, retrieve, disseminate required information from the data available to the human resources department and to achieve the overall objective of an organization.

Since more than five decades there is maximum adoption and usage of different tools of analytics and metrics in various organizations in areas of finance, marketing, supply chain, research and others. Human resources is one such area which has lagged behind with the usage of analytics. There is huge challenge involved in adoption of analytics in organizations in the function of human resources. At individual levels there are lots of differences in opinions and interest in embracing any such new techniques, but to enhance the overall performance of any organization it becomes a basic necessity to understand the efficiency and effectiveness in adopting such tools and techniques in any organization.

It can lead to better and efficient management pathway by the usage of human resource information system to organizations & HR practitioners (Gardner et.al, 2003). Using Human Resource Information System is the best method of making the implementation of human resource strategies and policies. The adoption of any such metrics will support the HR activities in any organization pertaining to any sector with the support of technology and automation (Ruel et al., 2004). By adopting the right way of analytics and metrics, organizations management, HR professionals, employees can create such portals where they can collect and store all such necessary data and create automated reports which can be useful for an organization at any point of time.

IT services and department will surely play a major part in adoption of any technology in any functional departments of any organization (Ruel et al., 2004). This can be one among the major challenges in any organization during adoption of any such metrics. Any new automation brought into an organization should be treated as an investment rather than expenditure (Gardner et.al, 2003). There is a huge cost involved at the initial stages in adoption of these metrics, but then the benefits derived out of it can be relatively high, so organizations needs to understand this variant. Further the benefits derived out of any such adoption can be positively correlated (Raza, 2012).
Purpose of research

Even though Analytics has now become a Talk word, It has its foundation during 1970s. It has a big turning point during the middle of 1980s. (Beer, 2015) By late 1990s, organization viewed employees as an asset to organization. This results the academic and management community to have a research to a larger extent (Ulrich, 1998). HR scorecards and workforce scorecards were framed during 2000s (Huselid, Becker, 2005). These score cards were generally used to measure the depthness and impact of work efficiency in Human resource department.

This creates an opportunity for many researchers to find the impact, effectiveness of HR for organizational performance. New techniques to calculate human capital and intellectual capital were developed (Boudreau & Ramstad, 2007) This slowly develops a topic of discussion in journals with a focus towards organizational strategy (Waber, 2013). By last few years back, Harvard find place for discussing more about technology and HR. Now much of the debate has been emerged in HRA, its importance for decision making. Harvard found predictive analytics as a supportive tool for business performance (Fitz-Enz& John Mattox, 2014). Adding to this, the availability of huge data make it possible for analysis to support the HR related decisions (Angrave et al, 2016). On the other side, huge firms with good valuable workforce data (working under growth of the management, training, payroll and development) fails to analyse the past and present and predict the future logically (Mark A. Huselid, 2005). Some firms lacks in examining previous data and some firms fails in forecast the future. This is because of the lack of availability of HR professionals. In India, experience for an analytics professionals are just 7.2 years (Bhasker Gupta, 2013). Most of the professionals are only Master degree holders. Hence there is risk of profitability, supply and demand of commodity, workforce trends, income and revenue. This leads to wastage of cost and time. Therefore there is need for study to understand the present position of firms in adoption of HR Analytics. This will throw insights to the management in taking decisions by framing suitable strategies. Also it is important nowadays to think, how to retain the trained professionals through their tenure with the organization. In this context, regular tracking of human performance in the organisation and prediction of future, potential changes in the organisation has become very
important for workforce planning (CedarCrestone). This raises questions like, Do Organizations need HR analytics and its adoption.

Present study makes an attempt to understand the relevance of Human Resource Analytics in Organizations and the level of Adoption relating to the extent of its usage in various HR functions. This study will also explore the challenges faced by the organizations towards the implementation of HR Analytics and its role in decision making process.