

# A Study on the Implementation of Human Resource Analytics in the Bpo Industries Chennai

P.Elantheraiyan, Mr.S.Anand

Assistant Professor, School of Management Veltech University Avadi Chennai-62

## Abstract

In today's competitive business scenario it very hard to retain knowledge based professional in BPO industries due to various reasons most of the BPO industries have a huge attrition rate or employee turnover which in turn not only impacts the company's specific process but as a whole which might decelerate the companies performance in the galloping business scenario with respect to the competitors. Hence HR Analytics plays the pivotal role in retaining ,identifying and motivating the right spirited employees who can champion the companies business in an ascending node. HR analytics is new emerging lifeline in the field of HR , now a days most of the company don't treat employees like an asset they treat them as expenses to the company. Especially this kind of attitude is more prominent among the BPO industries hence the attrition rate always gears up at a much faster rate This HR Analytics paves the way for the BPO companies to change their view regarding employees and treat them as investments.

**Keywords-**HR Analytics, Attrition, BPO

## 1. Introduction

HR Analytics is defined as "Structured Identification and calibration of factors driving employees towards business outcomes. Human Resource is one of the vital resource which mobilizes all other 3M's Money, Material and Machines .Human resource weaves the all the processes within the organization. Organization pure success depends on the maintenance of formidable human resources. But unfortunately most of the organization fail to recognize human resources as a precious resource which could baton the success of any industry or a company. To be more specific in a BPO industry the approach towards the Human resources is more casual and aloof, hence more employee turnover is the outcome. When an employee makes an exit from an organization he exits with the experience and job knowledge from the company. When he gets an entry into the new concern he tries to capitalize what he has learnt from his previous concern and gives his best shot or performance which in-turn might fuel the company's performance and there's a chance to outsmart the competitors and be a market leader. A company which treats and greets the employees in the best possible manner has more chance of succeeding in the market. Moreover it's not like yesteryears it has become a huge challenge for the HR's to retain knowledge workers in BPO industry and not like skilled workers who are ignored and left unnoticed. HR department must be much more vigilant and smart in applying HR analytics approach in the organization since its can be done manually just by looking at the employees existing reports or using a software which can give an accurate and précised outputs where HR Analytics unearths different patterns to the HR specialist and also the company which might save a huge cost and bring back hefty profits. The HR department with the help of HR Analytics can gain an insight into the companies human resources. That too in a fast paced BPO industry the entry and exit of the human resources is quite often, the HR Analytics serves as a useful tool for the HR

department on whom to recruit i.e. the right person for the right job , analyze their absenteeism, attrition rate, personal and professional profile of the employees in such way the employees suits the given profile ,performs at his best level, adds value to the job and company and delivers his responsibilities with utmost satisfaction where there is a win-win situation for both the employees and employer .In the current job market monetary benefit is not the only factor that binds the employee with the organization but apart from that there are certain other factors which might increase employees scalability with the organization.HR analytics focuses on such data which might be very handy for the HR to monitor the employees work behavior and formulate suitable strategies along with top notches of the company to retain the best talent and exit worst to gear up the company's success to become a market leader.

## 2. Objectives

- 1.To have an insight about HR Analytics.
- 2.To analyze the level of HR Analytics awareness among BPO HR professionals.
- 3.To find out the best factors that thrust HR Analytics implementation.
- 4.To find out the lacunas in the existing HR practices in the industry.
5. To find out the challenges in HR Analytics implementation in Chennai BPOs.

## 3. Scope of the Study

- 1.This study throws light regarding HR Analytics among the HR Professionals in Chennai BPOs

2.The study exposes the efficiency of the current HR practices in the BPOs.

3.The study highlights the importance of HR Analytics implementation in BPO.

4.This paves the way for further research and serves as source for future reference.

#### 4. Review of Literature

Dag Oivind Madsen & Kare Slatten 2017 are of the view that HR analytics has gained focus in the recent years in the domain of analyzing the human resource data in a constructive way to make better decisions. Although the concept is new to the field but its parameters and calibration methodology has its concrete base from the yesteryears HR practices which has been fine tuned based on the existing business situation according to companies needs

P.Madhavi Lakshmi & Siva Pratap 2016 expressed that HRA that in today's competitive environment human resource awareness drives the organization success. HRA enables better decision making and sensible utilization of human resources. Now company with the help of HRA software analyze the employee attitude, behavior, productivity and thereby improving the employee morale and satisfaction.HRA is a useful tool to identify the patterns in the data with respect to employees to take suitable corrective and preventive measures which benefits the company on the whole.

Narasima Venkatesh 2017 views HRA plays a prominent role in the decision making process of the managers in well established organizations. In the present times of knowledge economy an organizations employees are the pivotal asset compared to other assets and it's the most difficult asset to maintain from the side of the company .Human capital management is the most challenging job for any organization because its hard to understand the human mentality what motivates them and what de-motivates them because same kind of approach is not possible for all as each human resource is unique and complex. Hence HRA analyze the HR data through various surveys through which they come to a conclusion.

SN Mishra 2016 is of the view that HRA is the field of measuring the employees efficiency towards work, their human resource interaction types and increasing the time span of an employee within the organization. HRA is a multifaceted approach which involves all the aspects of HR like Recruitment, T&D, Succession Planning ,retention, engagement and compensation benefits. It has pinnacle level human resource predictive analyses and throws light on "What If" scenarios if a new business policy has been developed and its impact on the employees.HRA a serves as perfect blend of software and decision making with human hard ware.

Gitika Talukdar 2016 expresses HRA as the part of Business Intelligence which effectively manages the human capital with the help of data management and data warehousing technologies which integrates all the function of management which paves the way for employees stability and sustainability inside the organization which gives the edge for the company along with its competitors. This optimizes the HR responsibilities and strategic synchronization with the market and company objectives.

#### 5. Research Methodology

Research Type -Exploratory

Sample Size-115

Data collection – Primary and Secondary methods

Research tool-Well Questionnaire Method

Statistical Tools Applied-Percentage, Chi-Square, ANOVA

#### Data Analysis

**Table1.**HRA Awareness Among HR Professionals.

S.No	Particulars	Frequency	Percentage
1	Yes	35	30
2	No	80	70
	Total	115	100

**Inference:** 70% of HR professionals are unaware about HRA and only 30 % of the respondents are aware of the HRA.

**Table2.**Impact of HRA complements in your decision making.

S.No	Particulars	Frequency	Percentage
1	Knowledge Organization Policies	25	22
2	HR related updations	32	28
3	Recruitment Of Apt Personnel	22	19
4	Evaluation of Employee Performance	36	31
	Total	115	100

**Inference:** 31% of the HR's feel that its impacts on the performance evaluation of employees and 28 % are of the opinion that its related to HR domain updations. 22% and 19% of them feel its related to organization policies knowledge and recruitment of the apt personnel.

**Table 3.**"HRA provides a concrete base for the organization success" State your level of agreement.

S.No	Particulars	Frequency	Percentage
1	Highly Agree	31	27
2	Agree	25	22
3	Neutral	20	17
4	Disagree	18	16
5	Highly Disagree	21	18
	Total	115	100

**Inference:** 27% and 22% of the respondents Highly agree and agree that HRA is the concrete base for the organizations success 18% and 16% of the respondents highly disagree and disagree. Where as 17% of them are with neutral opinion.

**Table 4.** Rank the best existing HR Practices In The Company.

S.No	Particulars	Frequency	Percentage
1	Learning & Development	8	7
2	Rewards and Recognition	9	8
3	Recruitment & Selection	37	32
4	Career Planning	26	22
5	Compensation & Benefits	10	9
6	Organization Structure	11	10
7	Performance Management	14	12
	Total	115	100

**Inference :** 32% and 22% of the respondents feel that recruitment ,selection and career planning are their best practices in the company.12% and 10 % of the respondents feel that performance management and organization structure are the best ones..7% ,8% and 9% of the respondents are of the opinion that learning ,development ,rewards, recognitions ,compensation and benefits are the best practices.

**Table 5.** Features which fascinates you the most in HRA.

S.No	Particulars	Frequency	Percentage
1	Predictive Analysis	12	10
2	Employee Performance And Compliance	16	14
3	Exclusive Induction Programs	23	20
4	Visual HR Metrics	22	19
5	Interactive Recruitment	9	8
6	Personalized Apps for	15	13

	employees		
7	Workforce Forecasting Strategies	18	16
	Total	115	100

**Inference:** 20% and 19% of the respondents feel that exclusive induction programs and visual HR metrics are the fascinating features in HRA. 16% and 14% of the respondents workforce strategies, employee performance and compliance are the fascinating features of HRA .13%,10% and 8% of the respondents view personalized apps for employees, predictive analysis and interactive features are more fascinating for them.

**Table 6.** Threats which hinder your company’s progress.

S.No	Particulars	Frequency	Percentage
1	Policy Adherence & Phase of Management Changes	18	16
2	L&D & T&D	26	23
3	Creativity acquaintance & Compensation Benefits	30	26
4	Recruitment & Retention Of Knowledge Workers	19	16
5	Workplace Novelty	22	19
	Total	115	100

**Inference:** 26% and 23% Creativity acquaintance & Compensation Benefits ,L&D and T& D are the factors hindering company’s progress according to the respondents. 19% of the respondents feel that the workplace novelty is the cause of the company’s hindrance towards success.16% of the respondents are of the view that policy adherence ,phase of management changes, recruitment and retention of knowledge workers are the threats which hinder the company’s success.

**Table 7.** Organization’s compatibility towards new technology.

S.No	Particulars	Frequency	Percentage
1	Highly compatible	5	4
2	Compatible	2	2
3	Moderate	46	40

4	Incompatible	40	35
5	Highly Incompatible	22	19
	Total	115	100

**Inference:** 40% and 35% of the respondents feel that they’re moderate and incompatible regarding the organization compatibility towards new technology. 19% of the respondents are highly incompatible,4%&2% of the respondents are highly compatible and compatible.

**Table 8.**Threats posed by HRA in the industry

S.No	Particulars	Frequency	Percentage
1	Hr Downsizing	57	50
2	Data Dependency	10	9
3	Data Manipulation	25	22
4	Technological Incompetence	15	12
5	Information Security Issues	8	7
	Total	115	100

**Inference:** 50% & 22% of the respondents feel that HRA poses threat in HR downsizing and data manipulation. 12% and 9% feel that it poses a threat in the areas of data dependency and technical incompetence. 7% of the respondents are the view that it creates threat in the area of information security issues.

### 6. Chi Square Analysis

A comparison between age and awareness OF HRA among HR Professional

S.No	Age	Awareness Among HR Professionals		
		Yes	No	Total
	25-30	14	3	17
	30-35	15	4	19
	35-45	3	6	9
	45-50	2	23	25
	>50	1	44	45
	Total	35	80	115

S. No	Observed Frequency	Expected Frequency	O-E	(O-E-0.5)^2	(O-E-0.5)^2/E
1	14	5.173913043	8.826087	69.32372401	13.39870296
2	15	5.782608696	9.217391	75.99291115	13.14163125
3	3	2.739130435	0.26087	0.057183365	0.020876467
4	2	7.608695652	-5.6087	37.31616257	4.904409938
5	1	13.69565217	-12.6957	174.1252363	12.71390614
6	3	11.82608696	-8.82609	86.97589792	7.354579604
7	4	13.2173913	-9.21739	94.42769376	7.144200515
8	6	6.260869565	-0.26087	0.578922495	0.092466787
9	23	17.39130435	5.608696	26.09877127	1.500679348
10	44	31.30434783	12.69565	148.7339319	4.751222826
					65.02267584

The Calculated Value = 65.0226

Degrees Of Freedom V = (r-1)(c-1)

$$(5-1)(2-1)$$

$$= 4$$

The Tabulated value of  $\Psi^2 \alpha = 0.05$  for 4 difference is 9.488

Hence the calculated value is greater than the table value

So  $H_1$  is accepted &  $H_0$  is rejected

**Inference :** Since the calculated value is greater than the table value  $H_1$  is accepted &  $H_0$  is rejected there is significant difference between the age of Hr professionals and their awareness with respect to HRA.

## 7. Rank Correlation

A comparison between Recruitment and Employee Engagement Team towards best HR practices in the company.

S.No	Particulars	Rank 1	Rank2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Total
		No.Of Respondents							
1	R1 Learning & Development	1 20	3 21	4 30	7 15	5 17	6 9	2 3	115
2	R2 Rewards and Recognition	4 9	3 8	1 18	2 29	5 40	6 5	7 6	115
3	R3 Recruitment & Selection	5 25	7 38	2 27	3 11	1 8	6 4	4 2	115
4	R4 Career Planning	6 26	4 28	3 15	1 9	7 14	5 16	2 7	115
5	R5 Compensation & Benefits	7 10	1 19	2 11	3 22	4 25	6 8	5 20	115
6	R6 Organization Structure	3 11	2 10	5 8	4 12	1 6	3 47	6 22	115
7	R7 Performance Management	2 14	1 12	4 6	3 17	7 5	5 6	6 55	0
	Total	115	0	115	115	115	115	115	

Rank Correlation between Recruitment & Selection and Performance Management

**Null Hypothesis (H<sub>0</sub>):** There is no correlation between the factors of recruitment & selection and performance management.

**Alternative Hypothesis :** There is a correlation between the factors of recruitment & selection and performance management.

R3	R7	D=R3-R4	d <sup>2</sup>
5	2	3	9
7	1	6	36
2	4	-2	4
3	3	0	0
1	7	-6	36
6	5	1	1
4	6	-2	4
			$\sum d^2=90$

$$r_p = 1 - \frac{6 \sum d^2}{n(n^2-1)}$$

$$= 1 - \frac{6 \times 90}{7(49-1)}$$

$$= 1 - \frac{540}{336}$$

$$= 1 - 1.6071$$

$$= -0.6071$$

R3= Rank given to recruitment and selection R7=Rank given to performance management

$r_p$  = Spearman Rank Correlation n= No.of Observations d= deviations

Decision For n=7

**Inference:** There is a correlation between the factors of recruitment & selection and performance management. Hence the recruitment and selection has an impact over performance management

## 8. Findings:

- Majority of 70% of Hr professionals are awareness is low about HRA and only few 30 % of the respondents are aware of the HRA.
- A dominant sum of 31% of the HR's feel that it impacts the decision making on the performance evaluation of employees and 28%HR domain up gradations. A sparse amount of 22% and 19% of them feel its impacts related to organization policies knowledge and recruitment of the apt personnel.
- Predominantly the respondents of 27% and 22% Highly agree and agree that HRA is the tangible base for the organizations accomplishment followed by 18% and 17%

of the respondents level are highly disagree and neutral. Whereas 16% of don't feel it as a real base for organization success.

- Considerably 32% and 22% of the respondents feel that the best practices in their organization are recruitment ,selection and career planning are their best practices in the company. While 12% and 10 % of the respondents experience that performance management and organization structure are the superlative ones. Very minute percentage of the respondents are of the opinion that learning ,development ,rewards, recognitions ,compensation and benefits are the best practices.
- Generally the respondents of 20 & 19% feel that elite induction programs and visual HR metrics are the attractive features in HRA. 16% and 14% of them have responded that workforce strategies, employee performance and compliance are the enthralling features of HRA .13%,10% and 8% of the respondents view personalized apps for employees, predictive analysis and interactive features are more fascinating for them.
- 26% and 23% Creativity acquaintance & Compensation Benefits ,L&D and T& D are the factors hindering company's progress according to the respondents. 19% of the respondents feel that the workplace novelty is the cause of the company's hindrance towards success.16% of the respondents are of the view that policy adherence ,phase of management changes, recruitment and retention of knowledge workers are the threats which hinder the company's success.
- 40% and 35% of the respondents are of the view that they're moderate and incompatible towards handling new technology. 19% of them feel they're highly incompatible,4%&2% of the respondents said that they're highly compatible and compatible
- 50% & 22% of the respondents opted that HRA creates hazards like HR downsizing and data manipulation. 12% and 9% feel that data dependency and technical incompetence are the areas vulnerable. 7% of the respondents expressed that information security issues may arise.
- The age of HR professionals and their level of awareness varies with respect to HRA.
- Hence the recruitment and selection has a profound influence on performance management.

## 9. Suggestions

The yesteryears HR's need to update themselves along with the current trend and generation so that they can be still in the race along with the new generation HR's. The practitioners should be educated how HRA accelerates and benefits them in their day to routine and make précised and accurate decisions. The HR staff should understand and it's the responsibility of the organization to make their staff get aligned with HRA which leads the organization towards success. Apart from the existing HR practices the organization should focus on the employee oriented development programs and practices rather than tailored programs which improves the employees only for companies needs. The HRA software need to install confidence in the mind of the HR staffs with its facilities to make their work easier instead of installing the fear of job termination . Apart from new generation HR's the yesteryears HR's also need to be trained and updated with new technology so that the implementation of new technology will not have any hindrances. The company needs to have certain policies and incentives which might encourage new technology learning so that the employees keep on updating themselves and supplement organizations success. Along with it the company should not only see only the positive aspects of HRA but also the negative parts where are the hindrance in implementing it and what are the key potholes where the implementation will cost the companies enhancement and success.

## 10. Conclusion

In an industry like BPO there's huge requirement for HRA software because most of the HR's cannot accurately assess the candidate and recruit the right ones for the job as well as the company. So that a right kind of employees becomes the pillar of an organization. As most of the people and HRs know about the pressures and targets involved in BPO industries which causes the heavy attrition which cost the company huge. Because the company has to go through the same process again and again which involves huge expenditure. Instead of it the company might recruit the right personnel who can stay with the company for a long period and can mutually satisfies each others goals. Because HRA has unique features which can predict the right amount of resources required and judge them rightly in such away that there is no favoritism or human intervention during performance appraisal. Since HRA performance management is so accurate so that the right kind of personnel is rewarded and he gets automatically motivated to give his best for the company. When an apt person is recruited for the job the company he champions the process and business of the company in such away it benefits mutually. As the technology gallops the company needs to keep up with the pace of the technology to stay along with others in race of business.

## References

- [1] [www.ssm.com](http://www.ssm.com)
- [2] [www.shodganga.com](http://www.shodganga.com)
- [3] [www.analyticsinhr.com](http://www.analyticsinhr.com)
- [4] [www.humanresourcesmba.net](http://www.humanresourcesmba.net)