

Human Resource Analytics



A5E Consulting

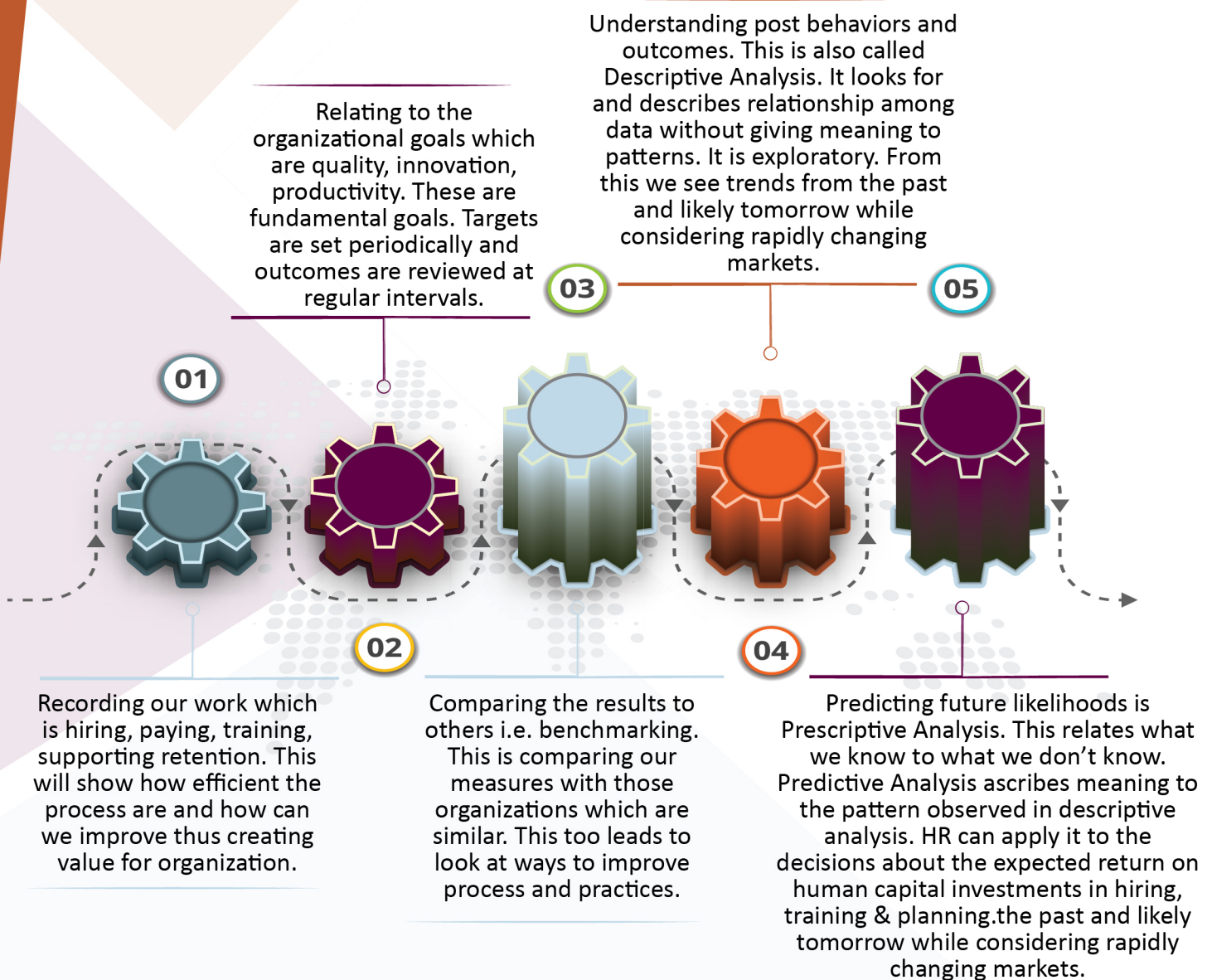
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HR Analytics is a *communication tool*.

*It positions management with a view of tomorrow.
The exercise starts with asking organizations as to what they want to measure.*

**Measurement is an activity and activity is an expense.
The answer to that is to measure what matters
at that point in time and for what organizational purpose.**

We look at five step approach:



The Power of Analysis

High risks decisions have to be made under circumstances that are seldom clear. Also relying on the past to predict the future is also not wise. Knowledge is the base from which prediction emerges. Being able to fulfill what is likely to happen with a high degree of probability depends upon:

1

Comprehension of past and current events.

2

Understanding not only trends but also the drivers behind them. This is critical so that we are not just chasing the trends.

3

Being able to see patterns of consistency as well as change.

4

Having tools to describe the probability of something in future.



Today with huge pool of objective data and subjective knowledge with electronic and behavior science tools, we are uniquely positioned to manipulate and make sense of the data.

For HR, it takes brain-storming, interviews, surveys, market data etc. as a source. By applying analytical tool, predictive management uncovers the connection and interdependencies among organizational activities.



Measuring what is important

That which is measured should possess obvious consistency. In other words, two or more different people should be able to interpret the information provided by the measurement in a same way.

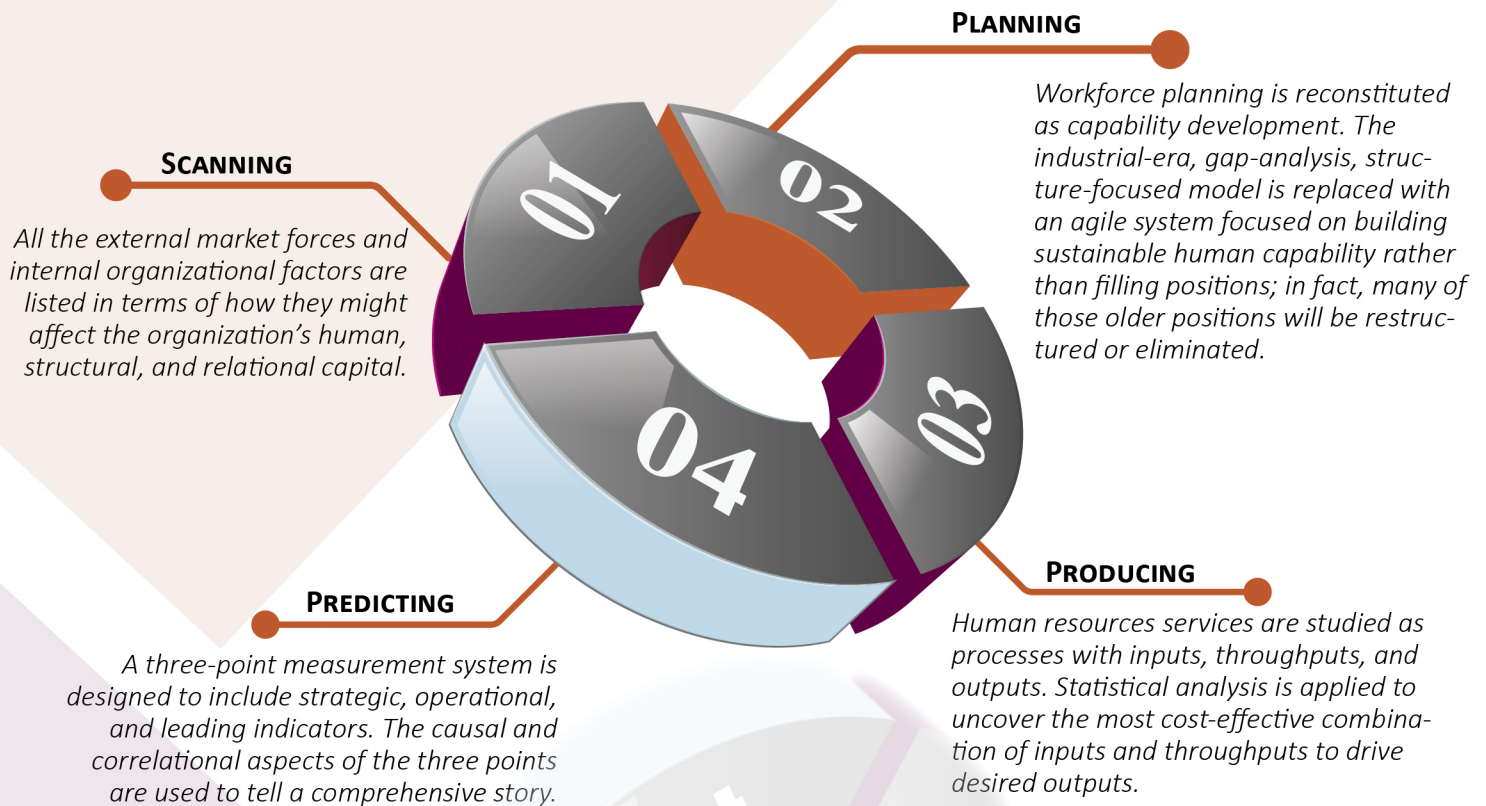
That which is measured should be important and provide added value.

That factors should be limited for a particular exercise so that the analysis and actionable can be focused.



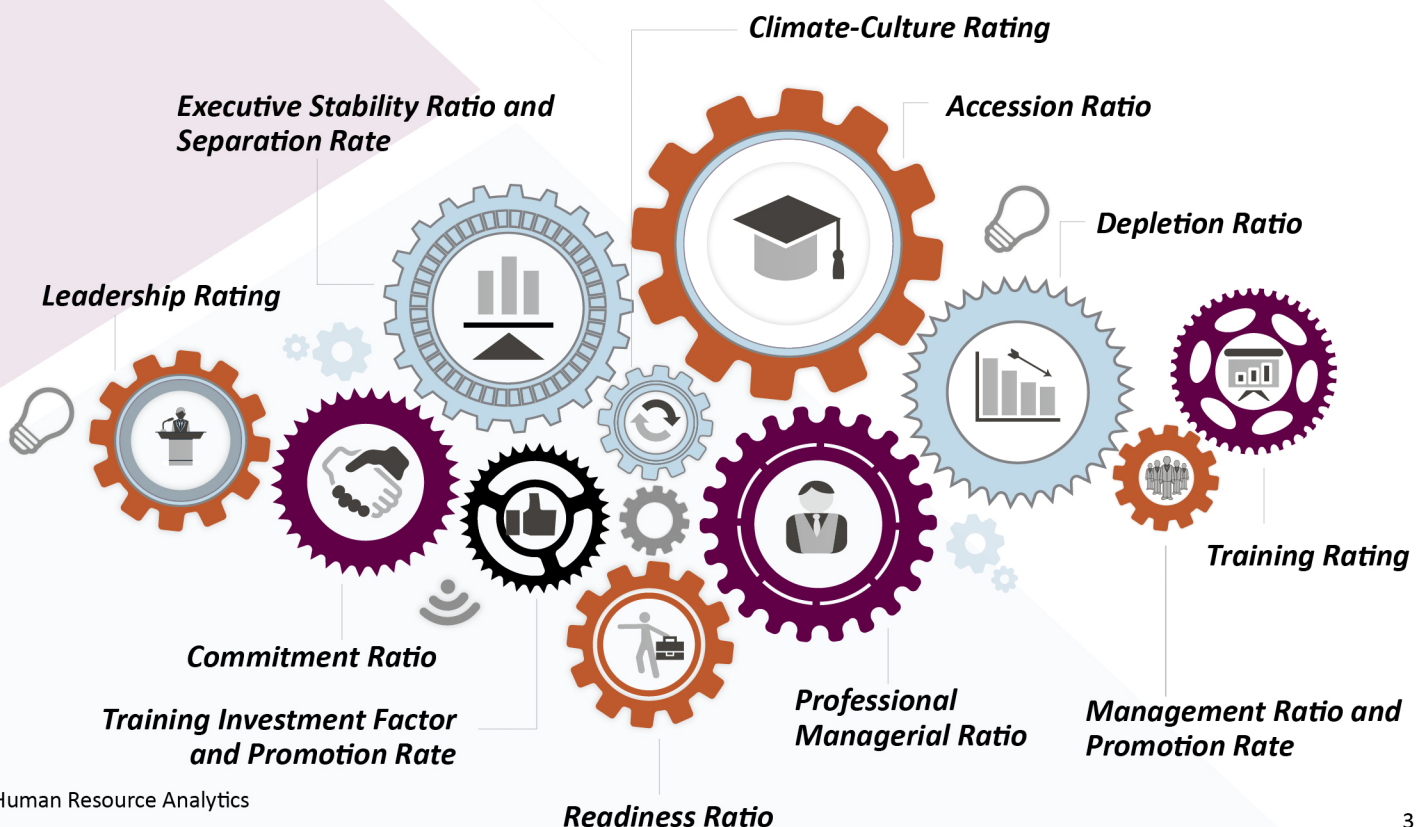
The value of Insight

In the past human resources have been applying a random approach to service delivery. HR was not having a management tool with predictive capability. But now we have that. Below is the model.



In summary, we can say that now we have a model and methodology for managing human capital or simply people.

Key HR Measures



Key HR Measures:



PROFESSIONAL/MANAGERIAL RATIO: The number of professionals and managers expressed as a percentage of the total number of full-time equivalents in the workforce. In general, the higher the ratio, the greater the prospect for future growth and profitability.



READINESS RATIO: The percentage of key jobs with at least one person ready to take over. This measure suggests the resilience of the organization against disruption. The closer to 1, the better.



COMMITMENT RATIO: The percentage of staff committed to the company's vision. Measured by employee survey, the higher, the better.



LEADERSHIP RATING: Performance rating of current leaders, as measured by the staff, again through a survey.



CLIMATE-CULTURE RATING: The percentage of staff giving top scores about whether the company is a good place to work. Measured by survey, this is predictive of the employee retention rates, and therefore retained knowledge.



TRAINING RATING: Scores from current programs. But what's important is developing skills to get the job done now, not necessarily

those needed for prospective future requirements. Having skills you don't use and don't need subtracts from corporate value, rather than adding to it.



ACCESSION RATIO: The ratio of new and replacement hires as the percentage of total employment. In most organizations a high number indicates hidden costs and delays, which damage productivity.



DEPLETION RATIO: Annual percentage of top talent lost. This is a negative indicator. The higher the number, the worse your future prospects.



EXECUTIVE STABILITY RATIO AND SEPARATION RATE: Corporations with executives having more than three years' executive experience lowers voluntary turnover.



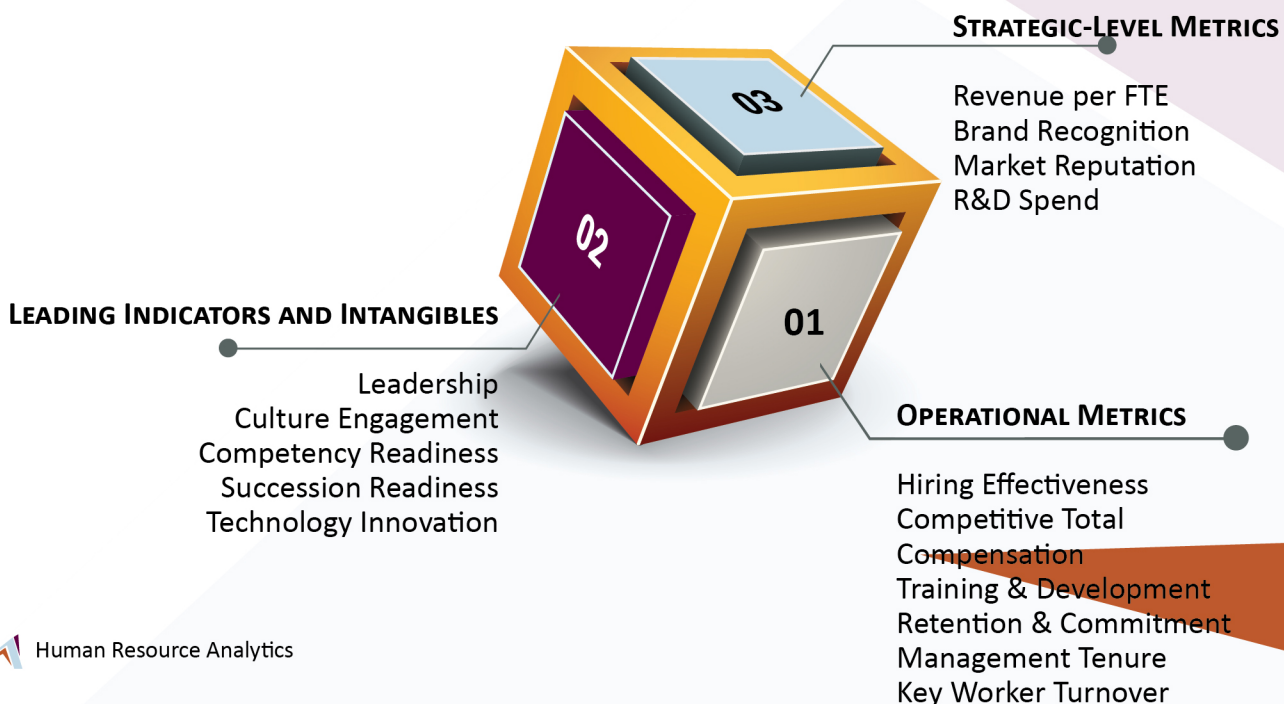
MANAGEMENT RATIO AND PROMOTION RATE: The number of employees that each manager supports impacts the number of promotions. Span of control is important in developing employees professionally: A manager supervising fewer employees has a lower number of promotions available.

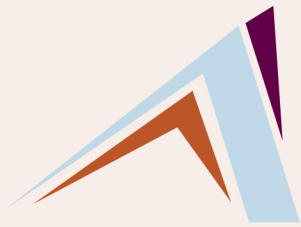


TRAINING INVESTMENT FACTOR AND PROMOTION RATE: More dollars allocated to training will increase professional employee development.

Metrics Evaluation

These are topics for development of relevant benchmarks, strategic initiatives, or corporate direction to facilitate predictive metrics. Evaluation should be made against SMART targets that clearly define proactive and positive movement from current status toward the corporate future state outlined.





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A5E HR Consulting Practice enables organizations to realize the potential of their biggest strength which is their talent pool. A5E helps organization with hiring, and enabling talent.

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