

The Impact of Human Resources Analytics on Human Resources Decision-Making

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Introduction

Analytics regards the systematic computational analysis of data and statistics to generate useful knowledge, discover trends, and discover meaningful patterns, among other things (Hariri et al. 2019). Computer technology has enabled modern organizations to collect large amounts of data. The data contains useful insights that can significantly benefit organizations. Analytics help organizations extract useful insights (Hariri et al. 2019). Organizational divisions use analytics to increase the chances of success in the division's operations. Human resources (HR) is one of the organizational divisions that leverage analytics to enhance their operations. Firms' HR teams are increasingly implementing and using human resources analytics (HR analytics) to gain insights about their workforces and enhance HR-Related decision-making (Khan & Reddy 2017). This study will evaluate the impact of human resources analytics on human resources decision-making.

One aim of the proposed study is to investigate the implementation of human resources analytics (HR analytics) by organizations. Another aim is to investigate the impact of HR analytics on HR decision-making within organizations. The investigation will help determine whether HR analytics enhances HR decision-making.

The study has three key objectives. One of the objectives is to investigate the spread of HR analytics to organizations worldwide. The second objective is to investigate the impacts of HR analytics on HR decision-making. The third objective is to evaluate the usefulness of HR analytics in improving HR decision-making.

The study has significant theoretical value to the HR discipline. The research will help determine whether HR analytics improve HR decision-making or otherwise. The findings will help advance knowledge in the HR discipline. The study also has immense practical value.

Organizations endeavour to adopt tools, techniques, approaches, and methods to boost their chances of success. The study will help determine whether HR analytics boosts the chances of success in HR decision-making. Such knowledge will help inform firms' decisions on whether to adopt HR analytics or otherwise. The knowledge will also inform HR professionals regarding the proposal of HR analytics to firms.

Literature Review

HR Analytics

According to Van den Heuvel and Bondarouk (2017), technological advancement is currently driving many HR changes today. Such advancements will guide changes that will take place in the future. Many firms have adopted a Human Resources Information system (HRIS) of one kind or another (Kremer 2018). The systems automate HR business processes. HRISs helps ease HR operation and boost compliance (Kremer 2018). The adoption of HRISs has led to HR teams collecting a lot of employee-related and employment-related data and statistics (Kremer 2018). The data and statistics regard the number of employees, compensation, work location, turnover, hiring, employee demographics, among other things. Analytics systems can easily analyze the different data and statistics to generate useful knowledge and insights and highlight meaningful trends in the data (Kremer 2018).

Falletta and Combs (2020) observe that there are multiple definitions of HR analytics, some competing. The multiple definitions mean that there is no one accepted HR analytics definition. However, most definitions recognize that HR analytics involves analyzing data gathered from multiple sources to enhance HR-related understanding and support decision-making (Dahlbom et al. 2019; Fernandez & Gallardo-Gallardo 2020; Margherita 2021; Marler & Boudreau 2017). Some definitions describe HR analytics as a sub-field of HR that involves

applying data analytics to support HR practices (Fernandez & Gallardo-Gallardo 2020; Margherita 2021; Marler & Boudreau 2017). Thus, HR analytics regards the reliance on evidence in adopting HR practices. Analytics systems are the software that organizations use to systematically and computationally analyze data and findings to gain useful knowledge, insights, and trends (Reddy & Lakshmikeerthi 2017). Analytics software is, thus, a tool to support the field of HR analytics.

HR Analytics Implementation

Vargas et al. (2018) reported that the HR functions within high performing organizations are slow in adopting HR analytics despite many organizations utilizing analytics to promote evidence-based decision-making. Available research data shows a slow implementation of HR analytics (Fernandez & Gallardo-Gallardo 2020; Marler et al. 2017; Vargas et al. 2018). Barriers to the adoption of HR analytics include the perception that analytics is not quite relevant to HR as not much data is generated within the function, lack of information regarding the existence and capability of such systems, and cost, among others (Vargas et al. 2018). The slow adoption can lead HR to fail the big data challenge. Despite the slow adoption, a substantial number of organizations have adopted HR analytics to boost decision-making (Vargas et al. 2018). Researchers have studied some organizations that have adopted HR analytics to determine whether the analytics impact the organization's HR processes. Evidence to support HR analytics's effectiveness in improving HR processes and practices is needed to encourage its adoption in the field.

HR Analytics and HR decision-making

HR analytics play several different roles within the HR function. One of the important roles is supplying evidence to support decision-making (Ghasemaghaei et al. 2018; Mohammed

& Quddus 2019; Berk et al. 2019). Data and statistics are systematically analyzed to provide knowledge, insights, and trends vital to decision-making. Analytics systems within HR are promoted as vital tools to enhance HR-related decision-making (Singh & El-Kassar 2019). Analytics software can easily analyze employees' departure from a workforce and replacement to compute employee turnover rate. Insights regarding turnover rate are vital to HR practices like motivation and remuneration. Analytics software can analyze employee feedback and provide insights into the key issues that affect employees. Determination of the key issues would lead organizations to decide to address the same. Studies indicate that the supply of reliable evidence for decision-making is the main reason that HR functions adopt HR analytics (Ghasemaghaei et al. 2018; Mohammed & Quddus 2019; Shrivastava et al. 2018). A key question that needs to be answered is how HR analytics's adoption is affecting HR decision-making.

HR analytics is a relatively new phenomenon (Margherita 2021). Thus, research into the impacts of HR analytics on HR-related decision-making is still ongoing. Studies are still being conducted to determine whether HR analytics enhances HR decision-making or not. Some studies conducted to investigate HR analytics's effects on HR decision-making conclude that HR analytics significantly boosts HR decision-making by providing necessary knowledge, insights, and trends (Ghasemaghaei et al. 2018; Berk et al. 2019; Reddy & Lakshmikeerthi 2017). Reddy and Lakshmikeerthi (2017) conclude that HR analytics is an effective evidence-based HRM tool as it provides vital evidence to support decision-making. Some studies report that there is no adequate evidence to prove that HR analytics significantly impact HR decision-making (Rasmussen & Ulrich 2015; Van den Heuvel & Bondarouk 2017). The differences in different researchers' findings mean that more work needs to be done to determine whether HR analytics affects HR decision-making.

Gaps in Research

Research into the HR analytics phenomenon is ongoing. New research articles are still being released, some even focusing on defining HR analytics. Researchers report that HR analytics's adoption is slow even among organizations that apply analytics to other functions. The slow adoption has resulted in studies to examine the cause of the same given HR analytics' potential to enhance HR decision-making. A clear gap that exists in the field of HR analytics regards whether HR analytics significantly impacts HR decision-making. A few studies report that HR analytics significantly impacts HR decision-making, while other few studies report no observed impact. Thus, there is still a gap in research regarding the impact of HR analytics on HR decision-making. Further research is needed to settle the debate. This study will focus on the identified gap in research. The proposed study focuses on gathering further evidence to address the existing gap. The study will help determine whether HR analytics significantly impacts HR decision-making.

Methodology

The study will utilize a mixed-method research approach to investigate the identified research problem. Therefore, the researcher will correct qualitative and quantitative data relevant to answering posed research questions. The methodology will help gather as much evidence as possible.

Research Questions

The study will seek to answer two main research questions. The two questions are:

- I. Does HR analytics significantly impact HR decision-making?
- II. Does HR analytics impact HR decision-making positively or negatively?

Study Design

The selected study design for the proposed research is the case study design. Case study research involves conducting a detailed and in-depth investigation into one or several cases related to a research phenomenon (Harrison et al. 2017). The study will focus on organizations that maintain an HR function. The researcher will conduct a detailed and in-depth investigation into two organizations that use HR analytics to enhance HR decision-making and two that do not use HR analytics. The method that will be used to collect case study data from the organizations is interviewing and observation. Targeted data will regard the different organization's insights into their workforces, workforce trends, and decision-making effectiveness. The organizations that use HR analytics to support decision-making will be compared to those that do not use the same to determine whether HR analytics impacts HR decision-making. Analysis of each case's data and comparing the findings from each case will help answer posed research questions.

Potential Limitations

A potential limitation for the study is the small number of firms that use HR analytics to inform decision-making. The small number will make it a challenging task to find the cases to be researched. To overcome the challenge, the researcher will use the internet and, in particular, professional networking sites like LinkedIn to find organizations that actively use HR analytics to support HR-related decision-making.

Another potential limitation facing the study is researcher bias. Bias may lead the researcher to distort the findings of the case study. To overcome the limitation, the researcher will ask participants to review the study's results. The review will help determine whether the researcher accurately interpreted collected data or the interpretation was colored by the

researcher's bias. Another thing that will be done to overcome bias is to consider alternative explanations. Ruling out alternative explanations will help strengthen reported conclusions.

One challenge facing the study is getting selected organizations to participate in the research. Sampled organizations can be hesitant to partake in the study due to various reasons. The unwillingness will limit data collection. To overcome the challenge, the researcher will inform representatives of selected organizations about the crucial benefits of partaking in the study for the organizations. The researcher will also guarantee the representatives that the data collection and reporting will be guided by research ethics and that anonymity, privacy, and confidentiality concerns will be addressed effectively.

Proposed Schedule

Activity	Deadline
Proposal Development Stage	
Research Topic Selection	15 January, 2021
Literature search	5 February, 2021
Methodology determination	27 February, 2021
Proposal writing	1 March, 2021
Proposal submission	10 March, 2021
Research Stage	
Interview and observation guides preparation	10 April, 2021
Selection and recruitment of study cases	24 April, 2021
Conducting case study research	1 May, 2021
Data analysis	12 June, 2021
Supervisor meeting	30 June, 2021
Dissertation Writing Stage	
Introduction	10 July, 2021
Literature review	10 July, 2021
Methodology	10 July, 2021
Findings and discussion	24 July, 2021
Conclusion	31 July, 2021
Bibliography and Appendix	31 July, 2021
Proofreading and editing	20 August, 2021
Submission	1 September, 2021

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