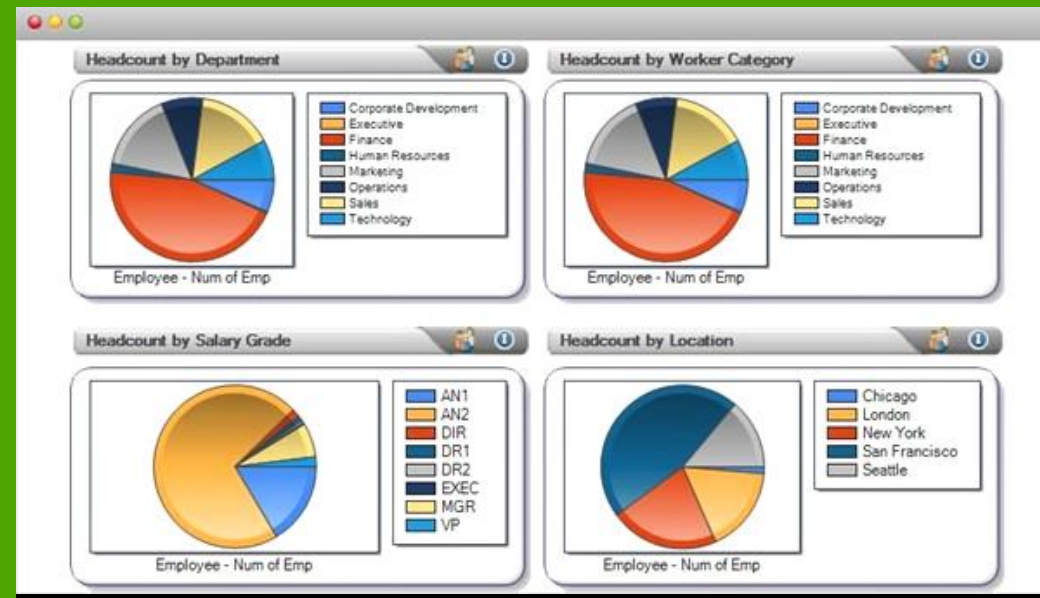


# HR Analytics

Measuring the success of investment made in People



*Prof Ramesh Ranjan*



IS THE  
*new*



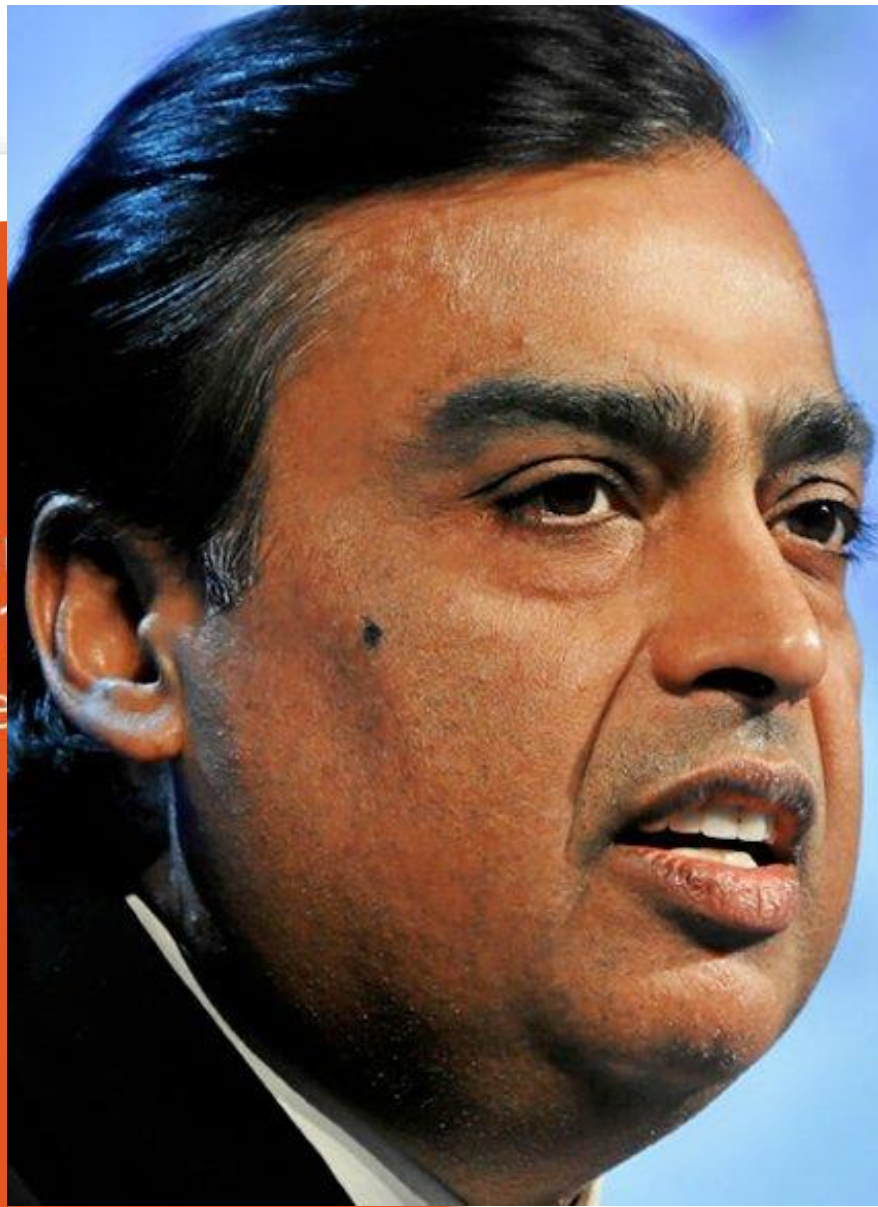


*Driving the Future of HR thro Data*

Ramesh Ranjan

# BUSINESS

"I  
of the 21  
the



*Data is not  
only the new  
oil, data is  
also the  
new soil*

— MUKESH AMBANI





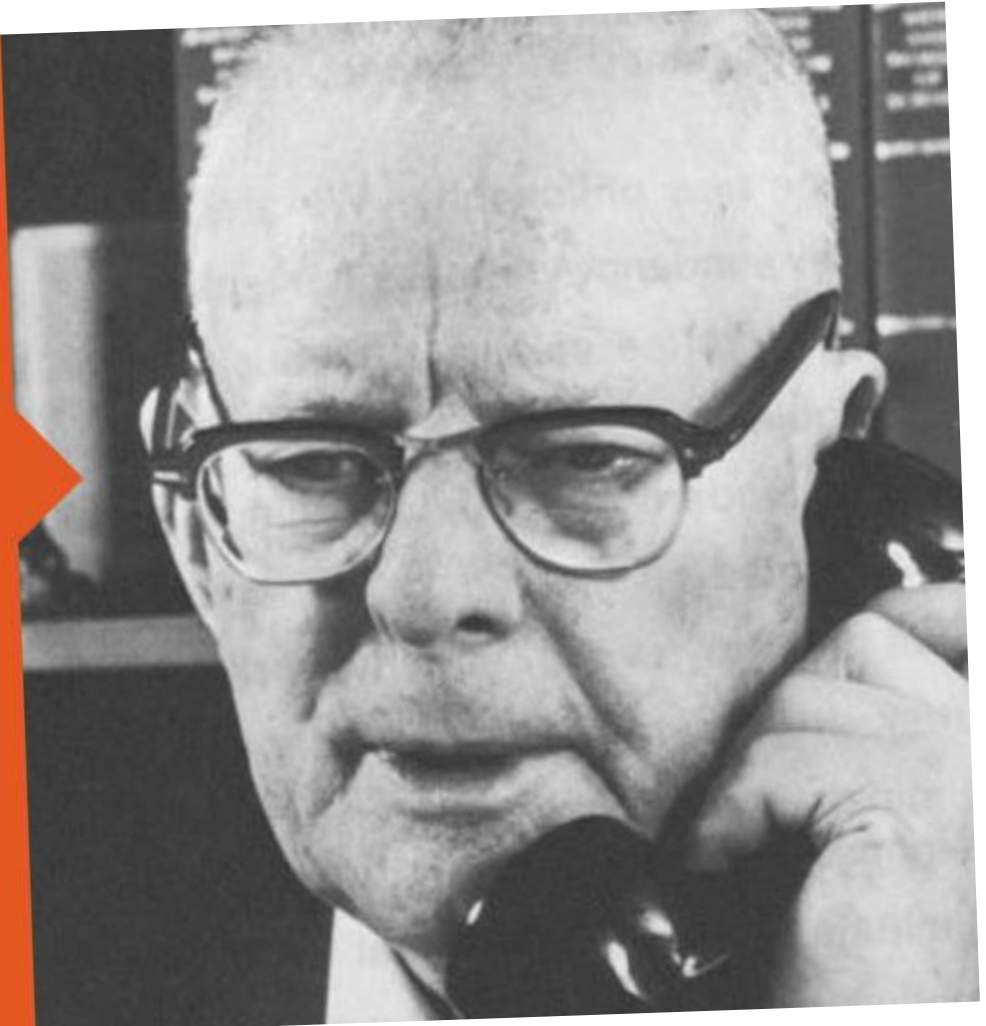
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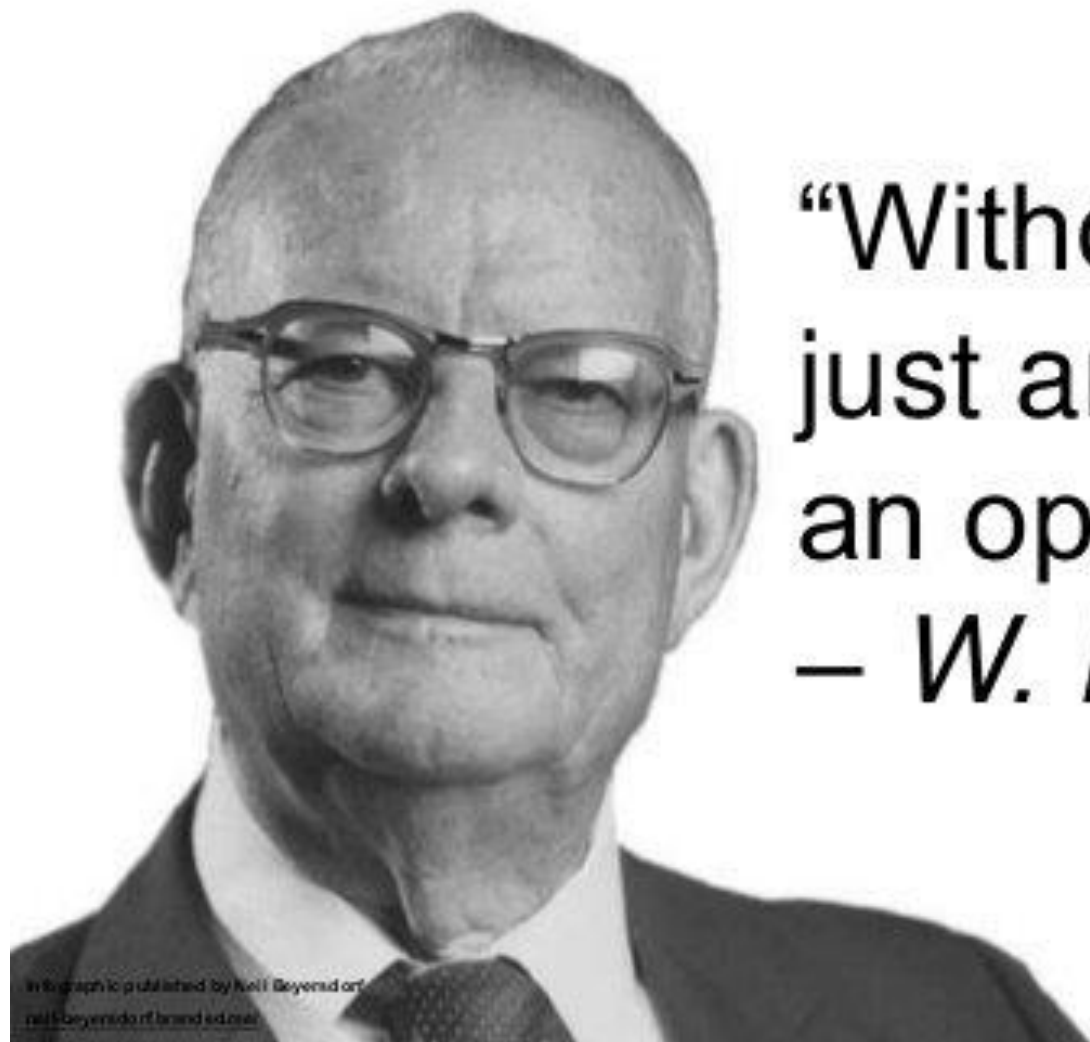


"In God we trust.  
All others must bring data."

*W. Edwards Deming*


<http://blog.a4everyone.com>





“Without data you’re  
just another person with  
an opinion.”  
– *W. Edwards Deming*





People are our  
greatest asset .

Dave Ulrich

“ quote fancy



# SAMPLE BALANCE SHEET

## ASSETS

### Current Assets

|                     |        |
|---------------------|--------|
| Checking Account    | 5,000  |
| Savings Account     | 1,000  |
| Petty Cash          | 500    |
| Accounts Receivable | 22,000 |
| Inventory           | 15,000 |
| Prepaid Insurance   | 6,000  |

**Total Current Assets:** 49,500

### Noncurrent Assets

|                          |        |
|--------------------------|--------|
| Accumulated Depreciation | -4,500 |
| Computer                 | 7,000  |
| Building                 | 65,000 |
| Land                     | 60,000 |

**Total Noncurrent Assets:** 127,000

**Total Assets:** 177,000

## LIABILITIES & EQUITY

### Liabilities

#### Current Liabilities

|                     |        |
|---------------------|--------|
| Accounts Payable    | 12,000 |
| Line of Credit      | 20,000 |
| Payroll Liabilities | 7,000  |

**Total Current Liabilities:** 39,000

#### Noncurrent Liabilities

|                       |        |
|-----------------------|--------|
| Long-term Debt (loan) | 48,000 |
|-----------------------|--------|

**Total Liabilities:** 87,000

### Equity

|                   |        |
|-------------------|--------|
| Owner's Capital   | 35,000 |
| Retained Earnings | 55,000 |

**Total Equity:** 90,000

**Total Liabilities & Equity:** 177,000

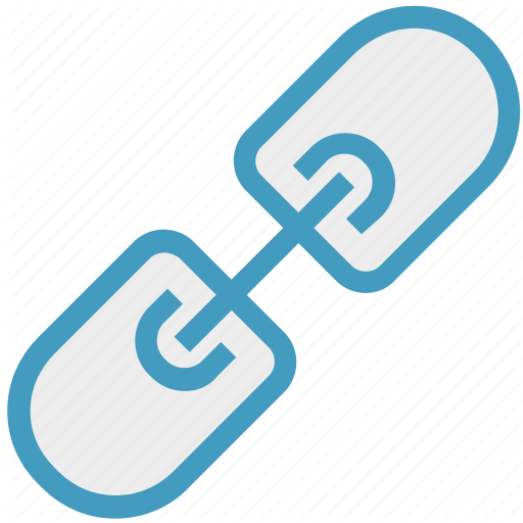
## S EQUITY

quity

But where is "People" in the Balance Sheet

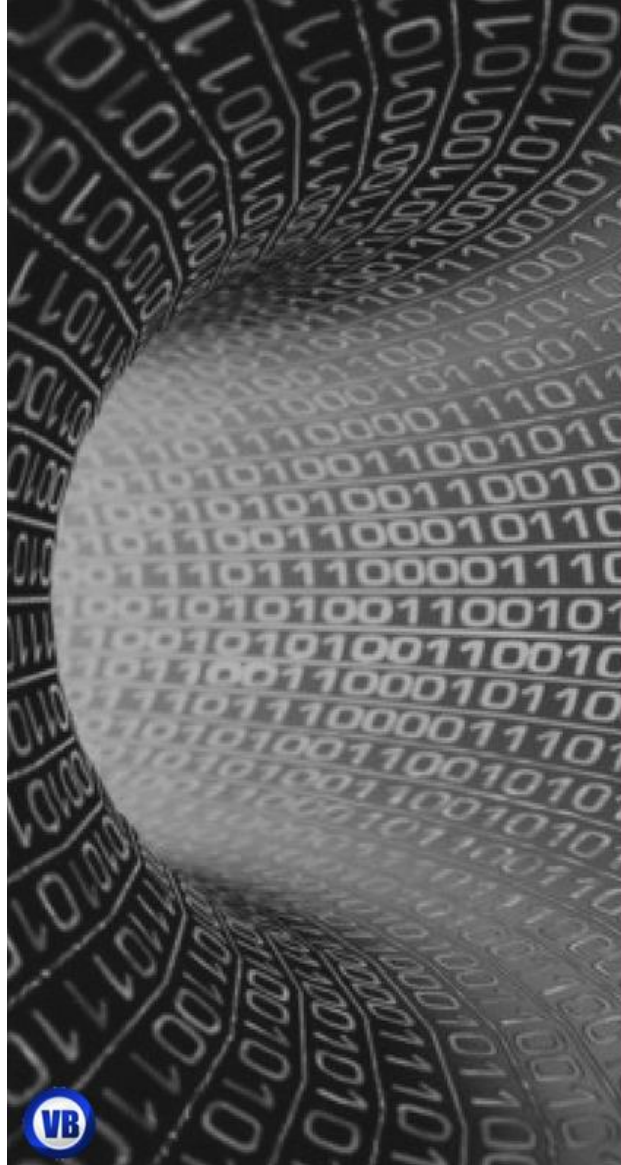
“Without the appropriate level of analysis and tools, there can be a continuing wake of destructive activity as organizations move from one extreme in over-hiring to the other of recurring layoffs and reductions...”

Source: Human Capital Management Institute  
Managing an Organization's Biggest Cost: The Workforce



HR has not yet reached the level where it can consistently and quantitatively demonstrate linkage to value creation, causing many CEOs and CFOs to view HR skeptically as simply a necessary expense.

Source: SHRM - Human Capital Analytics and Metrics



“

**Human resource programs no longer need to be based on “soft” reasoning but should be as analytical and as data-driven as any other management discipline.**

CHRIS ARGYRIS

*"To assume that our work has value without offering any supporting data is arrogant and a dereliction of duty. It is also dangerous. Why do you think every economic downturn decimates functions such as training?"*

***No reported value!!***

*Jac-Fitz-Enz*





**“The future  
belongs to  
those who  
see possibilities  
before they  
become obvious.”**

John Scully

**Analytics**<sub>in</sub>HR



**If you can't  
measure it, you  
can't understand it.**

**If you can't  
understand it,  
you can't  
control it.**



**If you can't  
control it, you  
can't improve it.**

# You say Ugh!

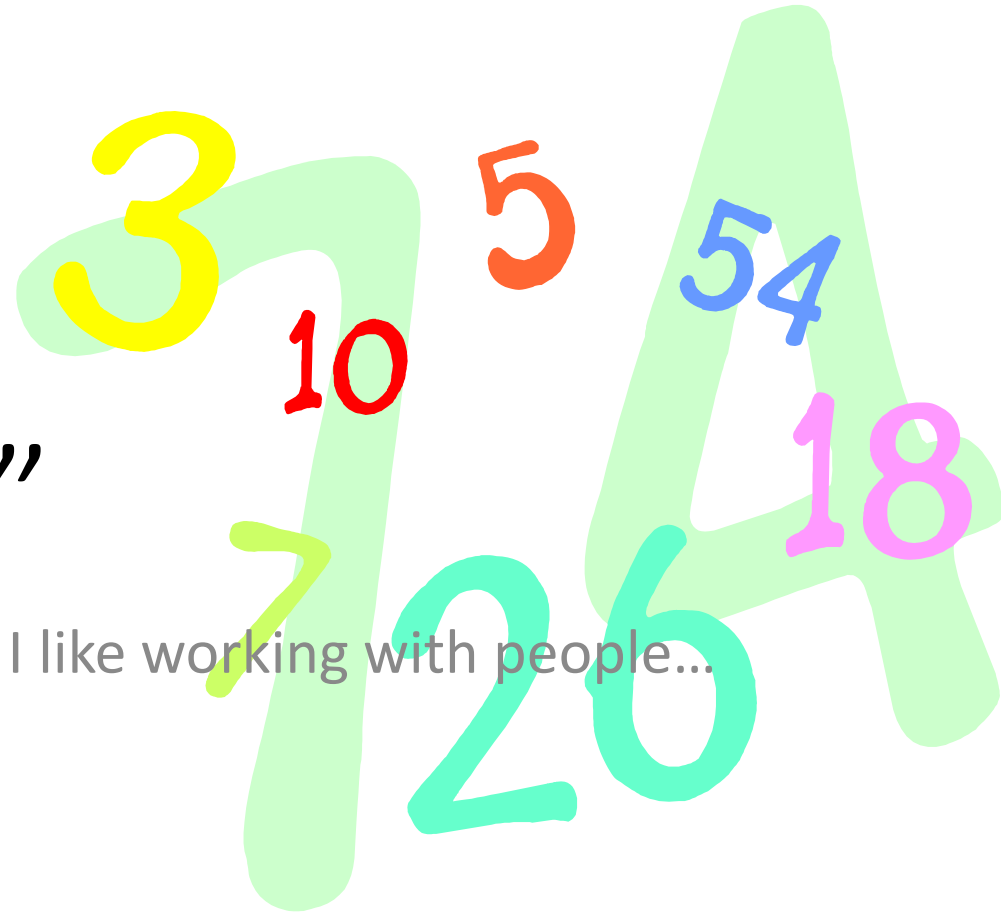
When I say metrics, Do you...





# Not Numbers!”

Have you said? “I joined hr because I like working with people...”





# Measure or...Consider This!



- To admit to clients and senior managers that the impact of human resources cannot be measured is to admit
  1. that HR programs do not add value
  2. or that the HR department should not be held accountable for its impact--positive or negative--on the organization's bottom line.



**How many HR Metrics can  
you readily think off.....**

<https://www.menti.com/alkop6d5ztnz>

