

Implications of Human Resources Analytics for Workforce Planning

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Abstract

Workforce is the most valuable tangible asset for high-performing organisations in today's global economy that is talent-driven. Despite its importance, workforce is not adequately planned, measured, and optimised due to the lack of awareness of workforce gaps that are likely to retard the effective execution of future business strategy. This research analyses the implications of Human Resources analytics for effective workforce planning using Standard Chartered and HSBC Holdings as case study. The study adopts a quantitative approach using predictive modelling with the aid of Python to analyse turnover, retirement, workforce mobility, and head count data covering 2017 and 2021. The findings indicate that HR analytics helps organisations to develop and sustain high-quality planning, and eliminates the conventional obstacles to effective workforce planning. HR analytics provides organisations the benefit of aligning strategic planning with talent planning by head count, establishes a clear view of talent demand and supply problems by reporting costs and relationships, provides HR managers tools that are easy-to-use to evaluate the impact of their decision and prioritise future investments in workforce, assists in controlling unplanned talent costs and highlights the factors the reduce employee production efficiency, builds competitive edge via reactive and carefully planned talent management, and gives business leaders a reporting structure of outcomes to quantify measurable results. The study recommends organisations combine demand planning and internal supply analysis to identify workforce gaps and plan accordingly.

Keywords: Demand planning, workforce planning, workforce mobility, HR analytics