

Linking People Data with Financial Kpis

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Nmims

Abstract

This study examines the relationship between Human Resource Management (HRM) practices and the financial performance of organizations through a quantitative, meta-analytic approach. Data were compiled from multiple empirical studies and secondary financial datasets to assess how HRM dimensions—such as employee engagement, training and development, and performance appraisal—affect financial indicators including return on assets, profitability, and productivity. Using correlation and regression analyses, followed by meta-analytic techniques, the study identified a statistically significant but modest positive association between HRM practices and financial performance (pooled effect size: $r = 0.038$, $p = 0.013$). The forest plot illustrated consistent directional effects across studies, while the funnel plot and Egger's test indicated minimal publication bias. Findings suggest that strategic HRM investment contributes to financial sustainability and competitive advantage, although contextual factors like industry type and firm size moderate this relationship. The paper concludes that organizations adopting integrated HRM systems are more likely to realize long-term financial gains, highlighting the need for continuous HR-Finance alignment in decision-making.

Keywords: Human Resource Management, Financial Performance, Meta-Analysis, Regression Analysis, Publication Bias, Organizational Effectiveness