

# [Understanding the human resource analytics model commerce essay](https://assignbuster.com/understanding-the-human-resource-analytics-model-commerce-essay/)

Human Resource is defined as the division of the organization that deals with recruitment which include the hiring and firing, setting the organizations’ salary scale and other related benefits, staff performance, staff training and general issues that concern the employees of the organisation. The main objective of human resource is to assist the organization to meet its intended purpose by motivating, and retaining employees and also being able to manage them effectively and efficiently That is to say that the Human Resource approach seeks to ensure a balance between the administration of an organization’s workforce, and the entire deliberated administration of the company (Marcus1999). Analytics models referrers to the approach that the human resources apply to ensure that the organizations are getting the best results in all areas concerned. This essay will focus on the existing models of human resources and try to bring out the best-applied models for efficiency and profitability of any given organization.

Analytics models helps in various ways, potentiality and organization measurement systems in the absence of analytics models can be compared to someone searching for an item where there’s light, and not necessarily where the item is likely to be found. Improvement in information technology often provides technological competence that is far beyond the capacity of the decision science and procedures to utilize them appropriately (Jeffrey P. (2002). Therefore it is quite usual to find organizations that have focused substantial resources creating sophisticated study and technology presentation within the measures of effectiveness, or measures that largely originate from the accounting system.

The irony is that real insights are most likely to be found in location where there aren’t regular accounting systems. The substantial development in HR contracting out, where efficiency is often the core value intention and IT technology is the main device, has worsened this subject matter. Yet with faulty measures meant for the correct point may be more shinning than very sophisticated measures forecasted in the wrong points.

First of all a lot of commentators describe the behaviour of human resource specialists as sway from one problem to another. Trying to settle down disputes is one of the tasks involved, especially when conflicts are likely to explore. It is the duty of human resource gurus to take preventive measures, by initiating guidelines and training the staff on how to comply with those set guidelines, this is a good tool to use in managing crisis and risks. However a sincerely strategic duty for HR has shown elusive to most people (Marcus 1999). Being sincere, many HR experts earn their living by first looking down upon HR as not being limited on strategic contribution, and thus offering a solution, which can be used to bring out a concrete solution. Most of these solutions include scorecards or dashboards of tracking down and reporting the results of realizing the proposed policies. There are a number of theoretical models which go way beyond the recording model of measurement, to critically check the reason why the use of the particular measures. This method is known as “ HR analytics”.

In the recent years HR analytics has been on the forefront with the view of many publications introducing official models. Theoretical explanations and some study outcome have been stressed, and the procedural standards required in setting up the need of HRM programs and participation. A totally efficient HR ability, nonetheless, is able to deliver substantial approach towards the difference between human resource management implementation and programs involvement in the overall employees and organization performance. Among other outcomes, an effective HR will be able to give priority to human capital on the basis of the organizational value, which they produce; it should also provide essential input towards the financial and operational strategy (Brian and David 2001). This should also be able to recognize that the organization have the people potentiality in order to be able to meet the adjustment in business environment and structure. It should also be able to support large number of employees in revolution, where the traditional HR, training and growth roles are restructure and put in with the new business plans.

According to the LAMP model, there are four major components, which are critical to strategic change. These components include: Logic, Analytics, Measures and Process (Cascio and Boudreau 2008). It is believed that lack of proper logic, and then it will not be possible to predict the future. The logic component of any measurement system gives the “ story” behind and the relationship between the numbers and the effects and the results. A good examples take account the components of revenue costs, the elements which determine the value of better selection, and the connections that associate employee well-being and crucial business end products. Improper logic is always the reason behind the why most HR experts use proper measurement systems, but don’t make sense at all to the involved parties. Where proper logic is in place then, it is quite easy to assist other managers outside the HR career to comprehend and utilize the measurement systems to improve their judgment (Casicio and Boudreau 2008).

In the measuring the employee turnover, there has been much argument in relation to suitable guidelines to be used in calculating turnover and its costs, or the accuracy and the probability on how employee turnover should be calculated. The current turnover-reporting systems may be estimated as turnover rates for almost any employee group and business section. Equipped with such systems, heads of departments “ slice and dice” the statistics in various ways, each supervisor following his or her own best theory regarding turnover and why it matters. In most cases, the theories are never good enough and thus measures may not help, thus, LAMP model does not support good measurement.

The other element, which the LAMP model focuses on, is process. Whereas measurement have influence on decision making and performance, and those take place within a huge organization, knowledge of structure, and organizational social customs. Consequently, efficient measurement method must match with a change management procedure that replicates values of training and transfer of knowledge. Thus, human resource measures and the reason that supports it are part of change process. The first step in effective measurement is to make managers to understand that HR investigation is achievable and helpful. The way forward is not automatically to present a very complicated analysis. Rather the best method could be to present fairly straightforward measures and analyses that correspond with the psychological models, which might be already in use. Estimating turnover costs can show how millions of dollars can be conserved with decline on turnover (Cascio and Boudreau 2008). Other managers outside HR have said that a turnover-cost analysis was the initial step in realizing that skill and company decisions had substantial outcome on the profits and accounting procedures, which they can relate with.

Apparently, measuring only the cost of turnover is not enough for proper decision-making. Managers may trim down the number of applicants who should be interviewed by raising the criteria for selection. The lower the standards, the bigger the number of applicants will apply and the lesser interviews will be carried out to fill a vacant position. Obviously, reducing the standards will bring issues that far overshadow the cost savings by conduction less interviews! However, the process element of the LAMP framework is a reminder that the best way to introduce a change process may be first to look at the turnover costs, to establish early awareness that the same method used for accounting, operational, and marketing investments can also be used in human resources.

According to the Human Capital Management HCM model, any organization that intends to get the best results has to connect investments in workforce to bottom-line organization outcome. Some evidence has proved the link between employee development and strategic profits. For example, companies that devote proper HR strategies seem to attain enhanced profits compared to the ones that use other ancient approaches. Although it still not clear whether a good HR management enhances better financial performance or whether better financial performance enables a more strategic tactic to HR management similar problem is there in the research for employee motivation. Thus, the ability of success in organizations that pays well and facilities than other organization can lead employees’ high turnover rate in the poor paying organizations (Fitz-Enz 2010).

Secondly, from the investment point of view, it is also required that measures be useful. Managers would like to know where to invest for future -both in terms of the type of talents that the employees require in order to accomplish the company’s long-term plan. In terms of the type of human resources potentiality the organization requires to achieve, nurture and maintain employees with such talents. For example, HR managers and their colleagues in accounts and marketing want to evaluate the risks related to people in relation to the latest technology, new markets and new requirements. The higher performance needs managing human capital currently and even for the future to be able to manage in a way that is in line with the company’s strategic goals (Fitz-Enz 2010).

Both the LAMP model and HCM model agree on the issue of measurement. The only difference is that the HCM model puts more weight on expansion against increase is a subject of both aggressive environment and planning, but following its ability to produce value is a limited set of abilities or implementation drivers, for example, its capability to come up with new ideas, to fulfill customers needs and to produce quality. The challenge of effectively linking human capital development to financial performance is three-phases: first of all measures must take into account direct and indirect consequence, secondly the procedure must be straightforward, repeatable and gives a possible result; and lastly outcome require to be put together so that strategies and prediction can depend on it. While LAMP model cconcentrates on more time and interest is given to improve the quality of HR measures, based on issues such as suitability, comprehensiveness, consistency and reliability. These are definitely essential principles, but missing a framework, they can be performing far beyond their optimal standards or they can be applicable to areas where they have less effect.

It continues to say that accuracy alone is not a solution. There are a number of ways that human resource can be able to measure more precisely and accurately. These measures involve finances, which should be focused on where it has the biggest profit, not just where progress is quite noticeable. Companies mostly give more interest to some fundamentals of their tangible stocks more than others. Sure enough, a famous theory is the “ 80-20 rule” which implies that 80 percent of the crucial difference in stocks costs or quality is usually determined by 20 percent of the tangible stocks (Cascio & Boudreau 2008). That is to say, whereas companies’ actually aim at 100 percent of their stocks, they end up with the significant 20 percent with more accurate, more reliable, and with bigger responsibility decision-making.

The employee turnover is not equally significant all over. But becomes significant where turnover costs are extremely high, or it corresponds to a significant risk to profits or crucial company’s possessions. For example when an employees leaves the organization and goes with a good number clients with them or when they have a wealth of knowledge that is not easy to replace, it is alright to trace turnover keenly and with greater accuracy. However, this is not to say that you keep on reporting on turnover. It simply implies that the turnover measurements in such conditions should look particularly on what more important. If turnover is a threat because to the loss of major capabilities, then the rate of turnover should be stratified to identify those with unique talent from others. If turnover is a threat because of losing clients when the employees leave, then the rate of turnover should not look on differences on talents, but rather should be stratified in accordance with the risks of losing clients. In the absence of a general logic on how turnover affects organization or its growth, managers may have assumption which may be wrong or harmful (Cascio and Boudreau 2008).

Conversely Education is also a very important aspect of change process. The return-on-investment (ROI) principal from finance is essentially a powerful instrument for enlightening leaders on the major equipment of financial assessment. Similarly, it is considered that HR measurements will be used more and more to inform components and will become surrounded within the organization’s training and awareness frameworks.

In human resources career, there are many logical structures, which include remuneration framework, employees’ motivation models, and also job contracts. All these are very handy, but they are not adequate enough to link decisions about investments in human resource agendas to the set results. On the other hand, some have opted for a “ service-value-profit” structure in regards to customer care. This framework requires a closer look to the relationship between HR and management customs, which affects the employee motivation and in the long affect the customer relation. In the case of affected customer relation the sales turnover is also affected and the general strategic goals.

In my view, measuring is very important, but what should be measured is the major question. Most managers lack the knowledge of what is to be measured and how it should be measured. With proper training in place, all managers should be able to know how to handle these issues, be able to motivate and nurture employees to reduce the rate of turnover in order for the organization to realize maximum profits. With good incentives, employees can be retained and thus the organization will benefit from the wealth of knowledge and experience that these employees possess. It is better to have employees with good experience background in that field than to keep on training them of the job requirements and they are not retained, the organization ends up being a training ground and the turnover rate is still on the increase. Therefore I would prefer the LAMP model to HCM.