

A CASE STUDY ON PREDICTIVE HR ANALYTICS FOR ENHANCING EMPLOYEE RETENTION STRATEGIES

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ABSTRACT

Retaining employees is still a major challenge for businesses all over the world. High turnover rates increment enrolment costs as well as disturb hierarchical culture and efficiency. This case study looks at how a mid-sized technology company, Company XYZ, used predictive HR analytics to improve its retention strategies and cut employee turnover by 25% over two years.

KEY WORDS

Predictive analytics, Employee Retention, Turnover Prediction, HR Analytics, Retention Strategy

INTRODUCTION

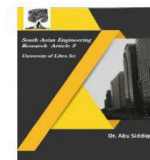
Retaining top talent is essential for maintaining a competitive edge in today's business environment. Reactive measures are often used in traditional HR strategies to deal with issues with employee turnover. Big data and advanced analytics, on the other hand, have made it possible for businesses to take a proactive approach. Companies can use targeted interventions and predictive HR analytics to foresee potential turnover risks.

In the contemporary business scene, associations face a raising test in holding top ability in the midst of quickly developing economic situations and expanding representative assumptions. Due to the significant costs associated with recruitment, training, and lost productivity caused by high turnover rates, employee retention has emerged as a crucial factor in determining organizational performance. Companies are using advanced data-driven strategies to guide their decision-making

processes in order to effectively address these obstacles.

In this regard, predictive HR analytics is a revolutionary strategy. Predictive analytics gives HR professionals the ability to identify patterns and trends that may indicate potential employee attrition before it occurs by utilizing data from various sources within the organization. Because of this foresight, proactive retention strategies that are tailored to the particular requirements and preferences of employees can be implemented.

This case study looks at how predictive HR analytics can be used to improve employee retention strategies, focusing on how it can drive strategic interventions and provide actionable insights. It looks at how predictive models can be used to predict future retention risks, assess current employee engagement levels, and analyze historical data. In addition, the study provides valuable lessons and best practices for others to follow by providing concrete



examples of businesses that have successfully implemented predictive analytics to enhance their retention efforts.

This case study aims to shed light on the role that effective retention strategies play in shaping predictive HR analytics, ultimately contributing to organizational stability and sustained competitive advantage.

THE IMPORTANCE OF EMPLOYEE RETENTION IN TODAY'S WORKFORCE

Employee retention is a critical factor in an organization's success, directly influencing productivity, organizational culture, and the bottom line. High turnover rates not only incur significant costs related to recruitment, training, and lost productivity but also disrupt team dynamics and negatively impact employee morale. In industries where specialized knowledge and skills are crucial, the loss of key employees can be particularly damaging, leading to delays in project timelines and a loss of competitive advantage.

TRADITIONAL APPROACHES TO EMPLOYEE RETENTION

To address retention issues in the past, businesses have relied on conventional HR methods. Reactive strategies like exit interviews, compensation adjustments, and employee recognition programs are frequently included in these strategies. Although these strategies can shed light on the reasons employees leave and aid in the retention of some at-risk workers, they typically take place after the fact, after the decision to leave has already been made. As a consequence of this, it's possible that these approaches will only scratch the surface of the issues that lie beneath and

won't address the larger, systemic issues that are responsible for employee turnover.

THE RISE OF PREDICTIVE HR ANALYTICS

With the quick headway of innovation and the rising accessibility of information, another way to deal with representative maintenance has arisen: analytics for HR prediction. Big data and advanced statistical models are used in this method to predict employee behaviour, allowing businesses to prevent employee turnover before it occurs. By examining a great many elements — for example, representative socioeconomics, execution measurements, commitment levels, and outside monetary circumstances — prescient HR examination can distinguish examples and patterns that customary strategies could ignore.

THE CASE FOR PREDICTIVE HR ANALYTICS IN EMPLOYEE RETENTION

The way businesses approach employee retention has significantly changed as a result of predictive HR analytics. Predictive analytics, in contrast to conventional methods, which are frequently constrained by their reactive nature, provide an outlook that looks ahead. This proactive approach enables HR professionals to:

- Identify Employees at Risk: Predictive models can identify employees most likely to leave the company by analysing data on employee behaviour and engagement, allowing HR to intervene with targeted retention strategies.
- Customizable Interventions: Prescient investigation can assist HR divisions with planning customized mediations in light of the particular variables adding to a

representative's probability of leaving, like vocation advancement potential open doors, pay changes, or worked on administrative help.

•Optimize the Use of Resources: Organizations can better allocate resources and maximize the impact of their retention strategies by focusing on the employees most likely to leave.

THE CONTEXT OF COMPANY XYZ

Company XYZ, a mid-sized technology company, uses predictive HR analytics to improve its strategies for employee retention in this case study. Confronted with a turnover rate higher than the business normal, Organization XYZ perceived the requirement for an additional information driven way to deal with hold its top ability. By coordinating prescient investigation into their HR processes, the organization had the option to lessen turnover as well as cultivate a more drawn in and fulfilled labour force.

OBJECTIVES OF CASE STUDY

This case study aims to:

- 1.Exhibit the Utilization of Prescient HR Investigation: Demonstrate the effective application of predictive analytics to the problem of employee retention.
- 2.Point out Important Predictive Factors: Determine the specific elements that had the greatest impact on predicting employee turnover at Company XYZ.
- 3.Assess the Effects of Interventions Driven by Data: Analyse the predictive insights to determine the effectiveness of the implemented interventions.
- 4.Speak about Obstacles and Best Practices: Provide suggestions for

businesses considering adopting predictive HR analytics and investigate the potential obstacles that may arise.

By looking at the experience of Organization XYZ, this contextual analysis gives important bits of knowledge into the extraordinary capability of prescient HR examination in upgrading representative maintenance procedures.

COMPANY BACKGROUND

Software solutions for the healthcare industry are the focus of the 2010-founded company XYZ. The company had a turnover rate of 18% in 2018, which was higher than the industry average of 12%. It had approximately 1,000 employees. The HR department began incorporating predictive analytics into their retention strategies after recognizing the need for change.

METHODOLOGY

Data Collection

The IT department and the HR team worked together to collect comprehensive employee data, including:

Demographics: Age, gender, and level of education.

Time spent working: Residency, work job, office.

Execution Measurements: Assessments of productivity every year.

Scores for engagement: results from frequent employee polls.

Information about the pay: Benefits, bonuses, and salary.

Outside Elements: distance to commute, local employment rate.

Analytical Tools And Techniques

Software Used: Python for data processing, Tableau for visualization.

Statistical Methods: Regression analysis, Decision Trees, and random forest algorithms.

Outcome Variables: Likelihood of an employee leaving within the next six months.

FINDINGS

Employee turnover is influenced by a number of important factors, according to the predictive model:

- Tenure: Representatives with under two years at the organization were bound to leave.
- Scores for engagement: Recent surveys showed a correlation between low scores and higher turnover.
- Compensation: Exit rates were higher among employees in the lower 25th percentile of salary range.
- Vocation Movement: Absence of advancements or horizontal moves in something like two years was a critical indicator.
- Relations between Managers: A strong indicator of employee turnover was negative feedback about supervisors.

During the testing phase, the model predicted employees who would leave within the next six months with an accuracy of 85%.

IMPLEMENTATION OF STRATEGIES

Company XYZ implemented the following interventions in light of the analytics:

Enhanced Onboarding: changed the onboarding procedure to help new hires get used to it.

- Initiatives for Interaction: commenced regular feedback sessions and check- ins.
- Evaluations of Pay: Changed pay rates to guarantee intensity inside the business.
- Programs for Career Development: introduced distinct routes for skill development and career advancement.
- Supervisor Preparing: trained managers in leadership and communication

RESULTS

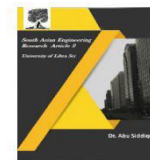
In the wake of executing the information driven techniques:

- Reduced Turnover: The yearly turnover rate dropped from 18% in 2018 to 13.5% in 2020.
- Representative Fulfillment: In each department, engagement scores increased by an average of 15%.
- Cost Reserve funds: The organization saved an expected \$1.2 million in enrollment and preparing costs.

DISCUSSION

The instance of Organization XYZ shows the groundbreaking capability of prescient HR investigation. Organizations can not only keep valuable talent but also cultivate a workforce that is more engaged and productive by determining and addressing the root causes of employee turnover.

Nevertheless, it is essential to recognize potential obstacles:



- Data Security: It is of the utmost importance to protect the privacy of employee data.
- Model Error: Consistent observing is expected to forestall predispositions in the prescient models.
- Management of Change: Cultural shifts within the organization are necessary for the successful integration of analytics.

CONCLUSION

A proactive approach to understanding and reducing employee turnover is provided by predictive HR analytics. Utilizing data-driven insights can result in significant enhancements to retention rates and overall organizational health, as Company XYZ has demonstrated. HR departments must make analytics an integral part of their strategic initiatives as technology continues to advance.

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