



Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306
POST GRADUATE DIPLOMA IN MANAGEMENT (2024-25)
MID TERM EXAMINATION (TERM -IV)

Subject Name: **HR Metrics and Analytics**
Sub. Code: **PGH43**

Time: **01.00 hrs**
Max Marks: **20**

Read the case and answer the questions

Consider the below hypothetical caselet and answer questions in detail.

GenZee Enterprises is a mid-sized financial services company experiencing rapid growth. The company has 3000 employees with its HQ at Noida. It has sales offices in Delhi, Gurgaon, Bangalore, Mumbai, Pune, Hyderabad & Chennai. GenZee is a part of large Indian conglomerate and came into existence in 2006.

To support this growth, they need to hire 650 employees in the next 12 months across various departments, including finance, IT, and customer service. However, the company is also facing a high turnover rate, especially among employees in their first two years. This high attrition rate has increased recruitment costs and slowed down project completion timelines, hurting both morale and business operations.

GenZee has recently implemented a HCM (Human Capital Management) software covering mainly Recruitment process (ATS), Onboarding, PMS, Employee Engagement & Exit process. The tool has an advanced inbuilt AI to capture employee feedback at various steps of employee lifecycle.

Mr. Shyam Chaudhary has joined as CHRO in May 2024. He has worked for 24 yrs in an IT Services company and is an advocate of change management. He believes in data centric approach in every decision taken.

Mr Kaushal Kumar is the CEO since 2023. He joined in the sales team of GenZee in 2010 and has grown in his career to become the Regional Sales Head to National sales Head & to Head of Strategy before taking up the CEO role. He believes that any cost incurred in people function should rationalize employee performance. Kaushal's cost centric approach has helped GenZee to be most economical which has helped GenZee to sail through even when the market in the not growing.

Recently, he has questioned Shyam in the spends made on HCM software & has asked to rationalize his decision. While Shyam is confident on the impact the tool will have on improving the performance, his argument has also been on cost saving in recruitment, training and on employee turnover.

Shyam has asked his team to address two key issues:

1. Optimize recruitment processes by identifying candidates (a) who are most likely to succeed & (b) stay with the company long-term.
2. Reduce turnover by (a) predicting which current employees are at high risk of leaving & (b) implementing proactive retention strategies.

Problem Statement:

Shyam has asked his team to use predictive analysis to not only make more efficient hiring decisions but also to forecast future attrition risks among current employees. The HR team must design a predictive model that can help:

- Identify top candidates during recruitment who will thrive and stay longer in the organization.
- Pinpoint current employees at risk of leaving and take timely action to reduce turnover.

Data Available for Predictive Analysis:

- **Recruitment data:** Candidate resumes, interview scores, psychometric test results, educational background, professional experience, and salary expectations.
- **Employee demographics:** Age, gender, tenure, education level, and marital status.
- **Employee performance metrics:** Quarterly performance ratings, job role, department, promotions, and compensation history.
- **Engagement survey results:** Employee satisfaction, work-life balance, motivation levels, and engagement scores.
- **Attendance data:** Overtime hours, absenteeism, and leave patterns.
- **Exit interview data:** Reasons for leaving (voluntary exits).
- **External data:** Industry salary benchmarks, job market trends, and unemployment rates.

The HR team at GenZee is a 25-member team. A project team constituting of 8 members was formed to do a predictive analysis in phases. The team was led by Mr Shyam himself. Timeline given was 3 weeks.

The presentation with Mr. Kaushal & 4 other Business Heads is scheduled on Wednesday, October 23, 2024.

Phase 1: Predictive Analytics for Recruitment Optimization

To optimize recruitment, the HR team developed a predictive model to evaluate the likelihood of new hires succeeding and remaining with the company for at least three years. The model uses a combination of:

- **Education and experience:** Candidates with specific academic backgrounds and professional experience tend to perform better in specific roles.
- **Personality traits:** Based on psychometric test results, the model identifies personality traits (such as adaptability, resilience, and problem-solving) that correlate with success in the company's culture.

- **Interview performance:** Candidates who score high on structured behavioral interviews, particularly in areas like teamwork and communication, tend to be more successful.
- **Cultural fit:** Analyzing engagement survey data from current employees, the model identifies the traits of employees who align well with the company's values and mission.

Using this model, the HR team can assign a “**Success Score**” to each candidate during the hiring process. Candidates with high success scores are prioritized for interviews and offers, reducing the likelihood of early attrition and ensuring a better cultural fit.

Phase 2: Predictive Analytics for Employee Retention

In parallel, the HR team builds a separate predictive model to forecast which current employees are at high risk of leaving in the next six months. This model uses factors such as:

- **Low engagement scores:** Employees who report low job satisfaction, poor work-life balance, or disengagement in engagement surveys are at higher risk.
- **Absenteeism patterns:** Frequent absences or sudden increases in leave can indicate disengagement or personal issues that could lead to resignation.
- **Stalled career progression:** Employees who haven't received promotions or significant role changes for several years are more likely to leave for better opportunities.
- **Compensation gaps:** Employees whose salaries are below industry benchmarks or who haven't received raises may become disengaged and leave for better offers.
- **Workload and stress indicators:** Employees working significant overtime or experiencing high levels of job-related stress are often at a higher risk of attrition.

The model assigns a “**Turnover Risk Score**” to each employee, indicating their likelihood of leaving within the next six months.

Phase 3: Proactive HR Interventions

Based on the predictive model's insights, the HR team developed a set of interventions for high-risk employees:

- **Personalized retention plans:** For employees identified as high risk, HR works with managers to create personalized development plans, including promotions, salary adjustments, and new project assignments.
- **Mentorship programs:** High-risk employees are paired with mentors to guide them through career progression, helping them stay engaged and feel valued.
- **Work-life balance initiatives:** For employees experiencing high levels of stress or burnout, HR introduces flexible work arrangements, mental health support, and wellness programs.
- **Stay interviews:** HR conducts stay interviews with high-risk employees to identify their concerns and address them before they reach the point of leaving.

Phase 4: Outcome Measurement

To track the effectiveness of their predictive models, GenZee Enterprises monitored the following metrics:

- **Recruitment success rate:** The percentage of new hires with high success scores who meet or exceed performance expectations within the first year.
- **New hire retention:** The percentage of new hires who stay with the company for at least two years, comparing those selected through the predictive model vs. previous hiring processes.
- **Attrition rate:** The overall attrition rate, particularly among employees identified as high-risk by the turnover model.
- **Employee engagement improvement:** Changes in engagement survey scores among employees who have received personalized retention interventions.

Over the next year, GENZEE Enterprises expects to reduce recruitment costs, improve the quality of new hires, and decrease turnover by 15%, ensuring a more stable and productive workforce.

You as one of the team members prepare a detail note on following which will help Shyam make the presentation on 21st Oct 204.

1. How has the HCM tool helped on improving the performance and cost saving in recruitment & retention. (5 marks)
2. What are the data being captured and how is the being utilized to contribute to cost effective recruitments? How would HR ensure that the predictive analysis being presented is near to accurate? (5 marks)
3. How does application of predictive analytics be used at GenZee Enterprise help following areas of HR (any 4). (2.5 *4)

- a) Talent Acquisition
- b) Learning and Development
- c) Performance Management.
- d) Compensation Management
- e) Succession Planning