HR Analytics and organizational performance: Evidence from Bangladesh

Sohana Intasa Siddiqua¹, Mohamed Osman Shereif Mahdi Abaker², Ramisa Tul Afnan³

¹Finance Coordinator, Maico Gulf LLC United Arab Emirates.
²Associate Professor of Management, Department of Management, School of Business, American University of Ras Al Khaimah, United Arab Emirates
³Student, East Delta University Bangladesh

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ABSTRACT

The purpose of this paper is to present empirical research on the impact of human resource analytics on organizational performance in Bangladeshi firms. Although some firms use HR analytics, it is uncertain whether HR analytics improve organizational performance. HR analytics is the use of data and analytics to improve corporate performance through HR processes and policies, using workforce data to make data-driven workforce planning and hiring decisions. 206 questionnaires were collected from professional service firms (accounting, advertising, consulting, and law firms), financial service firms (banking and insurance firms), information, communications, and technology firms, and other service firms (education, healthcare, pharmaceutical, and engineering firms) using a quantitative method. For data analysis, SmartPLS 3.2.8 and the Structural Equation Modeling (SEM) tool were utilized. The findings support the proposed chain model, which implies that access to human resource technology enables human resource analytics, which supports evidence-based management decision-making, and as a result, improves performance. The implication is to encourage organizations to invest in HR analytics by forming HR analytics teams committed to analyzing workforce data to make strategic workforce decisions about investment in HR analytics. Thus, establishing HR analytics-related goals and policies that contribute to workforce planning and recruitment in enterprises. Previous research did not focus on the perspective of HR analytics in developing nations. This paper fills that gap by presenting empirical evidence from a developing nation like Bangladesh.

Keywords: Human resources analytics, organizational performance, human resource management, evidence-based decision-making, Bangladesh.