HR Analytics
Case Study Collection

13 examples with **business impact**

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Case studies with business impact

People analytics has transformed from trend to an essential part of HR's toolkit. Confidence in the discipline is high — just look at the people analytics technology market, which was valued at **$5.6 billion** in 2022, and only expected to grow.

If you're still not sure if investing time or budget in people analytics is worth it for your organization, browse these people analytics case studies. See how other organizations use HR data to tackle a wide spectrum of challenges, from talent retention to organizational expansion.

1. CREDIT SUISSE
Saving money by predicting who will quit

2. HEALTHCARE ORGANIZATION
Cutting costs with natural attrition

3. E.ON
Tackling employee absenteeism

4. QUICK-SERVICE RESTAURANT CHAIN
Doubling customer satisfaction

5. FMCG RETAILER
Testing employee training effectiveness

6. SHELL
Employee engagement

7. SUNSTATE EQUIPMENT
Linking turnover to the bottom line

8. BEST BUY
Relating store income with engagement

9. UNILEVER
Automated listening in a hostile takeover

10. BBVA USA
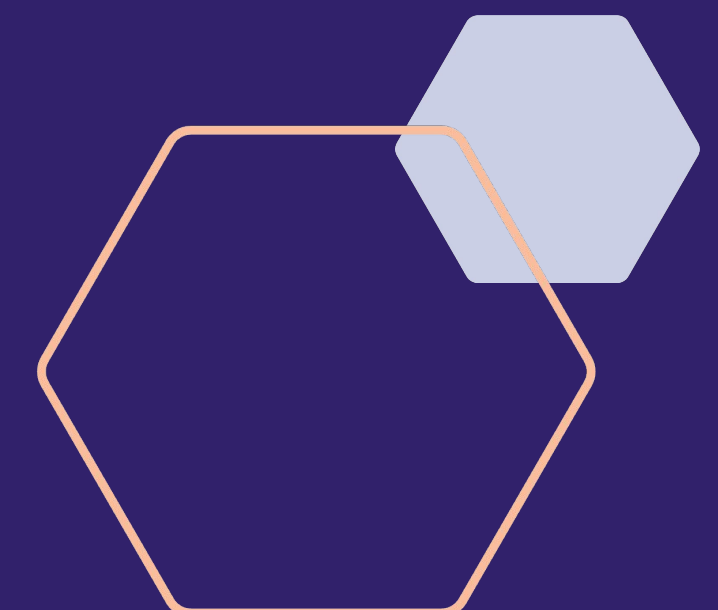Reducing key role turnover

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Opening a new office

12. EXPERIAN
Identifying and combating flight risk

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Reducing resumé screening costs

Predicting which employees will quit

The Wall Street Journal published an article titled "The Algorithm That Tells the Boss Who Might Quit," exploring how Credit Suisse could predict who might quit the company. It was one of the first examples of the now very popular employee churn analytics.

Analysts at Credit Suisse could not only predict who might quit, but also why. This information was provided anonymously to managers so they could reduce turnover risk factors and retain their people better.

In addition, special **managers were trained to retain the high-performing employees with a high flight risk**. In total, this program saved Credit Suisse approximately $70,000,000 a year.

Business impact

Approximately $70,000,000 in savings per year by helping to retain high- performing employees.

Source

Utilizing natural attrition to cut costs

A healthcare organization needed to reduce the nurse headcount at a hospital with a declining patient count. However, a union agreement meant that the last hired is the first out, making new nurses the focus of reductions.

Analysis revealed that **new nurses were more expensive to hire and harder to retain** in this specific hospital, and the location also had four times more employees eligible to retire than other hospitals.

Instead of laying off new nurses at a cost of $1.5 million, the organization promoted early retirement and let natural attrition take place. This helped them realize a direct cash saving of $400,000.

Business impact

A direct cash saving of $400,000 by promoting early retirement.

Source

Understanding the drivers of absenteeism

Absenteeism in this German energy company with over 43,000 employees had risen above benchmark. The analytics team formulated 55 hypotheses, tested 21 of them and validated 11.

One of the examples written in the report was that selling back unused vacation days did not increase absenteeism. **What did, however, was the lack of a long holiday somewhere during the year, or not taking a day or two once in a while to relax.** This insight was communicated to managers to improve holiday approval policies.

Business impact

Improved their understanding of the causes of absenteeism and reached effective means to reducing the latter.

Source

Doubling customer satisfaction

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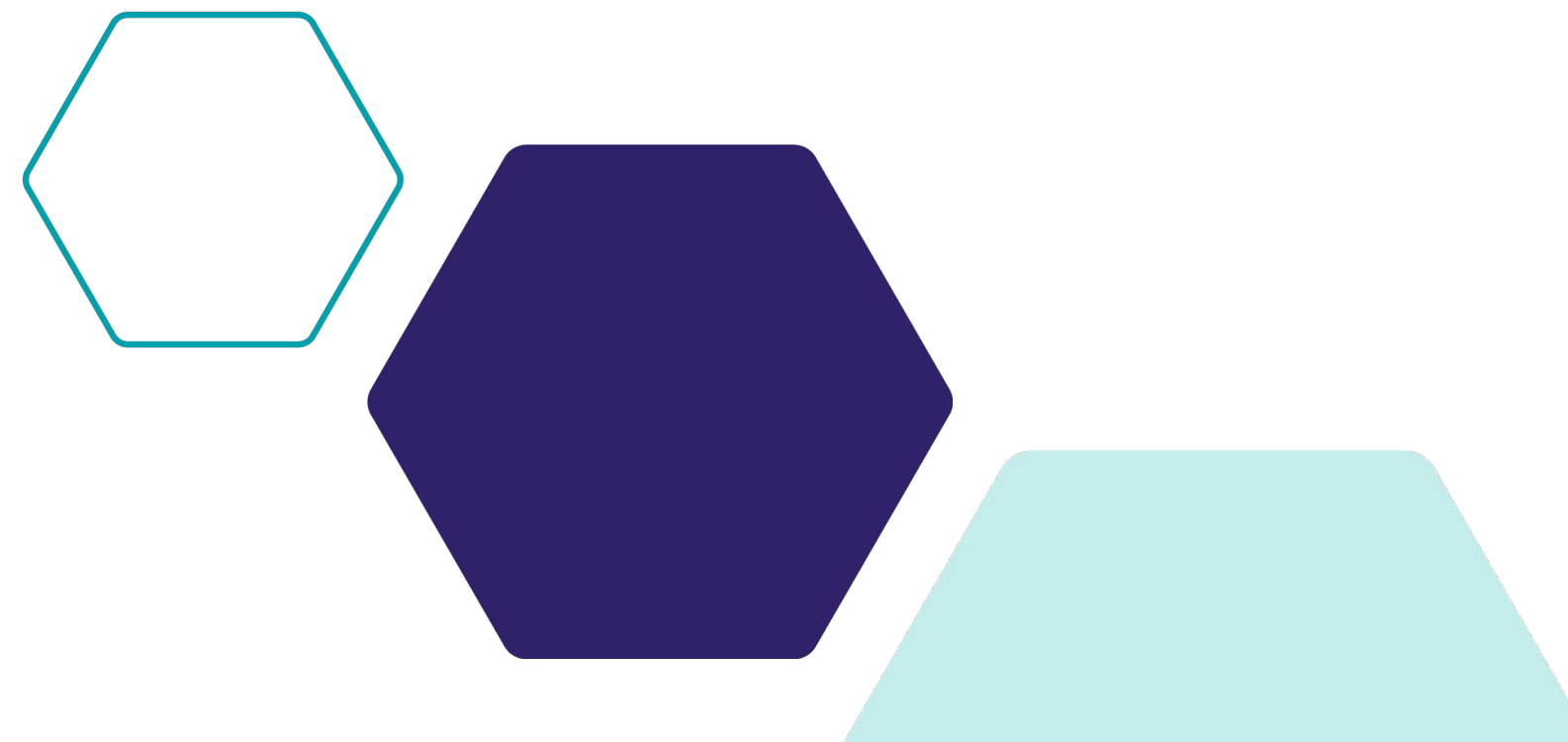
A quick-service restaurant chain was facing significantly higher turnover than its competitors. **Business leaders believed that closing this turnover gap could help improve customer experience and grow revenue**.

The company used six different data sources to map the talent value chain, and began testing more than 100 hypotheses, many based on senior management's experience, observations, and instincts. The data outcomes contradicted many of these deeply held convictions about what drives success.

Four months into the pilot implementation of the findings, the company has seen a **more than 100% increase in customer satisfaction, as well as a substantial decrease of new joiner attrition and a 5% increase in sales.**

Business impact

More than doubling customer satisfaction and 5% sales growth.

Source
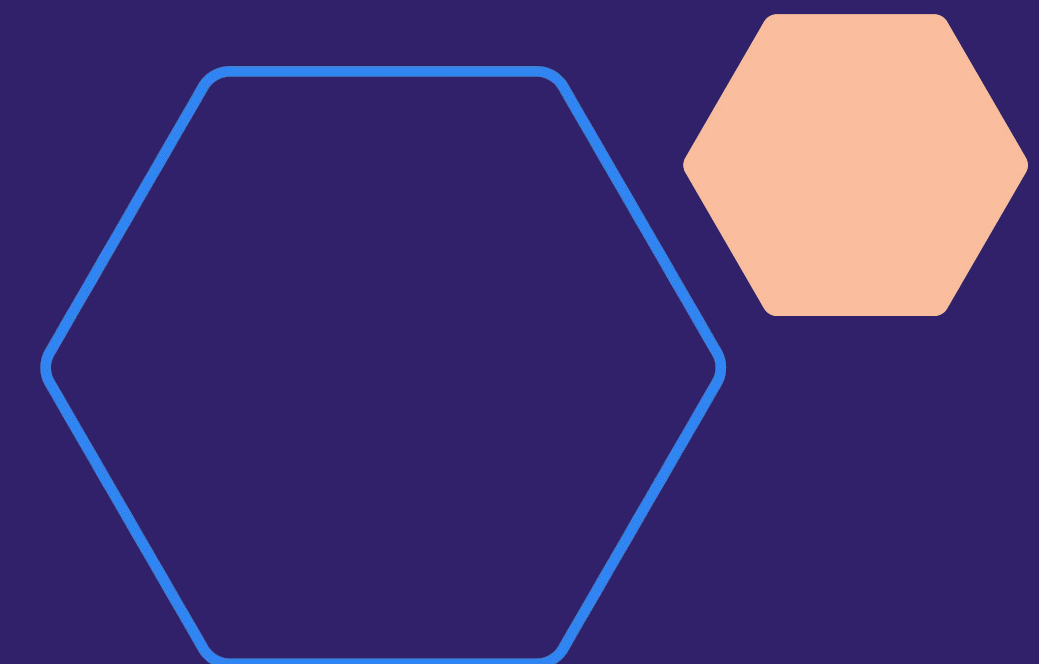
A/B testing employee training

A large Dutch FMCG retailer used people analytics to analyze the effects of training. The analysts found that **training shop personnel had a positive impact on the shop's financial performance**. This was measured through A/B testing. **In the first year alone, the ROI of their training program reached as high as 400%.**

An article by Tony Brugman and Rob van Dijk presents this brief case study from their own consulting work.

Business impact

An ROI of 400% on training programs in the first year.

Source

Linking engagement to performance

At Shell, engagement was linked to superior business performance through improved safety practices.

A 1% increase in employee engagement resulted in a 4% drop of 'recordable case frequency,' a key industry safety standard. Safety performance was in turn directly related to business performance.

Source

Business impact

A 1% increase in employee engagement resulted in a 4% drop of 'recordable case frequency.'

Source
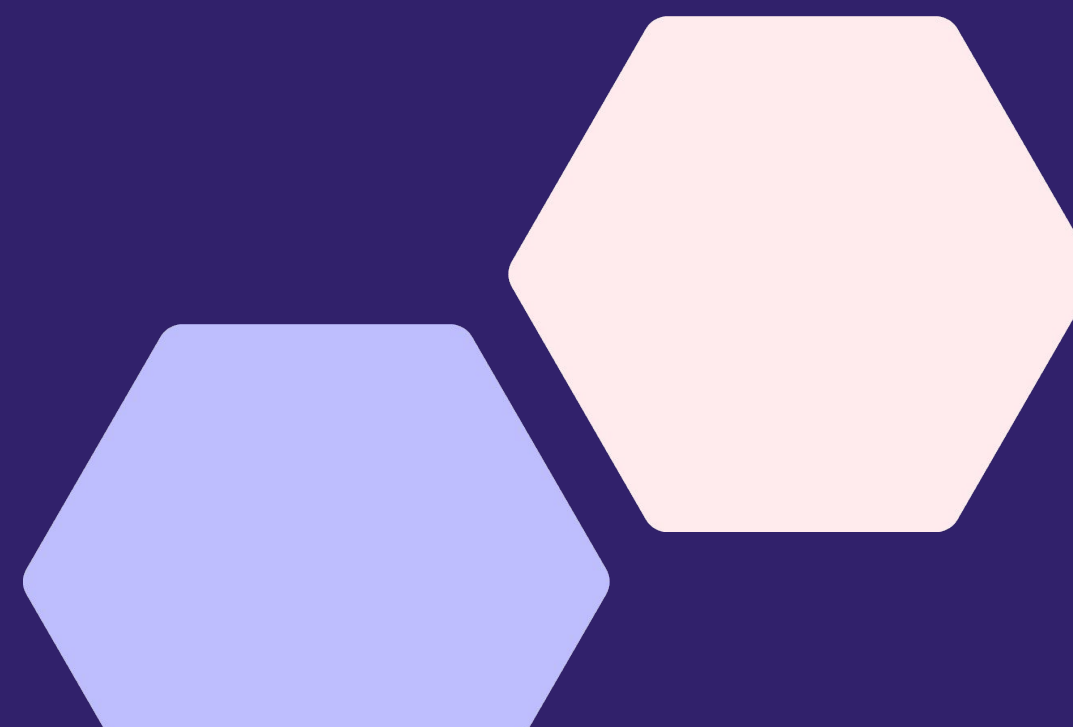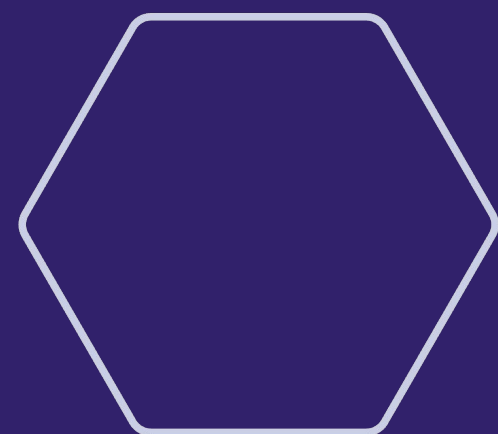
Linking turnover to the bottom line

The construction equipment rental company saw a downturn in equipment utilization rates, directly affecting the bottom line. Reviewing their people analytics revealed that they were also dealing with a dip in headcount and a spike in overtime.

By connecting business data and people data, they were able to identify the underlying issue: they did not have sufficient resources to do business with as many customers.

Knowing the underlying cause enabled Sunstate Equipment to take targeted action. They used data patterns to identify opportunities to reduce turnover and overtime, and increase engagement and productivity. As a result, they reduced turnover by 50%.

Business impact

Identified turnover as a factor in equipment underutilization and reduced it by 50%.

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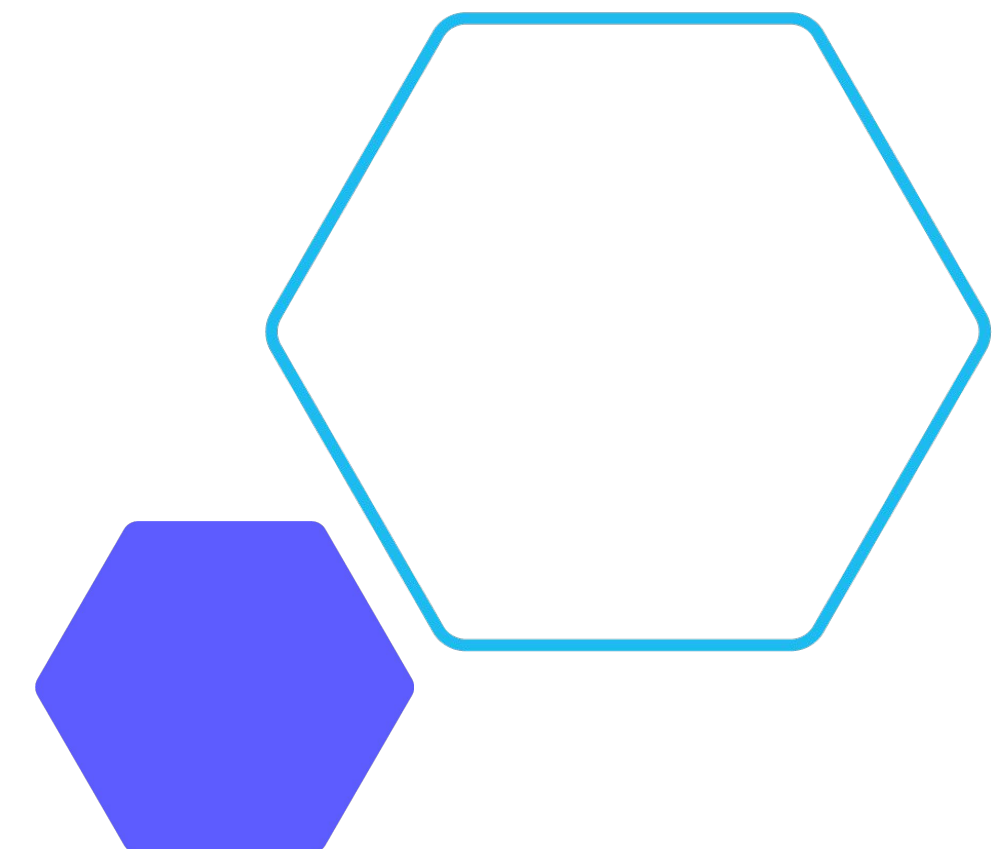
The business value of engagement

Another great case study of people analytics at work was published in the Harvard Business Review. In the article, the authors describe their research in multiple large companies in the U.S.

They specifically researched the relationship between engagement and financial performance. Engagement is often seen as the holy grail of HR – but its impact is hard to measure.

The authors describe that **some organizations "can precisely identify the value of a 0.1% increase in engagement among employees in a particular store."** They take the example of Best Buy, where a 0.1% increase in engagement results in over $100,000 in annual operating income per store.

The significance of this relationship motivated Best Buy to **make employee engagement surveys quarterly rather than annual.**

Business impact

A 0.1% increase in employee engagement resulted in over $100,000 in annual operating income per store.

Source
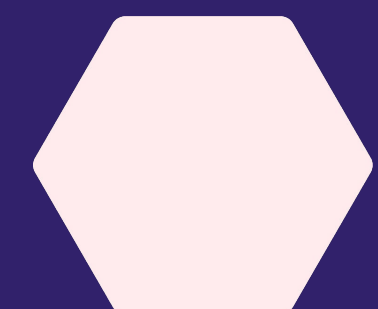
Automated listening in a hostile takeover

When Kraft Heinz launched a hostile takeover bid in early 2017, Unilever's workforce analytics team showed that analytics could also be deployed in times of crisis.

The team analyzed networks in the organization, and created models to come up with potential cost reductions. In addition, the team was able to track the employees' moods and attitudes, which **enabled them to see how employees were reacting to Unilever's defense strategies. These insights directly helped decision-making processes during the crisis**.

According to Nicky Clement, Vice President of HR, "The information we provided helped both in putting together cost reduction plans and providing information to back up the feasibility of our growth plans, so **we could show that we were better placed to leverage the strengths of our business than Kraft Heinz**."

Business impact

Improved the design and implementation of cost reduction and growth plans, and subsequently more effectively leveraged the strengths of their business.

Source
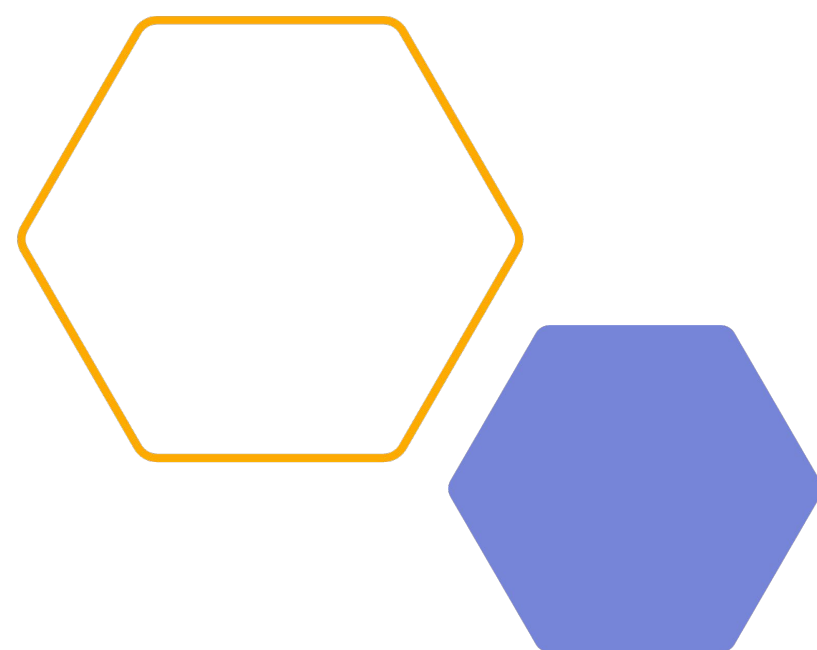
Reducing key role turnover

BBVA USA discovered through benchmarking that they had above-average turnover in key revenue-producing roles. Further analysis revealed **41% of all turnover took place in just 10% of their branches**.

The company used Natural Language Processing tools to analyze survey feedback from active and former employees and managers, which they used to create branch-level action plans including action points for compensation structure, onboarding, training, and more.

As a result, they were able to bring down turnover in key revenue-producing roles by 44%. **This reduced the hiring costs for new associates, while also improving customer relationship retention and the associated revenue**.

Business impact

Reduced turnover in key revenue-producing roles by 44%.

Source

Opening a new office at a strategic location

Cisco used demographic data to identify where they can best open up new offices. Combining various data, including current usage rates of office space, cost and availability of key talent, and availability of graduates from universities allowed them to **expand in areas where there were fewer major players competing for the same talent**.

Cisco made use of this same data to **find locations where employees with relevant qualifications were available and abundant** when selecting a new office.

Business impact

The company was able to expand its market share in areas with fewer larger players competing for the same talent; improved their search for locations abundant in employees with relevant skills.

Source
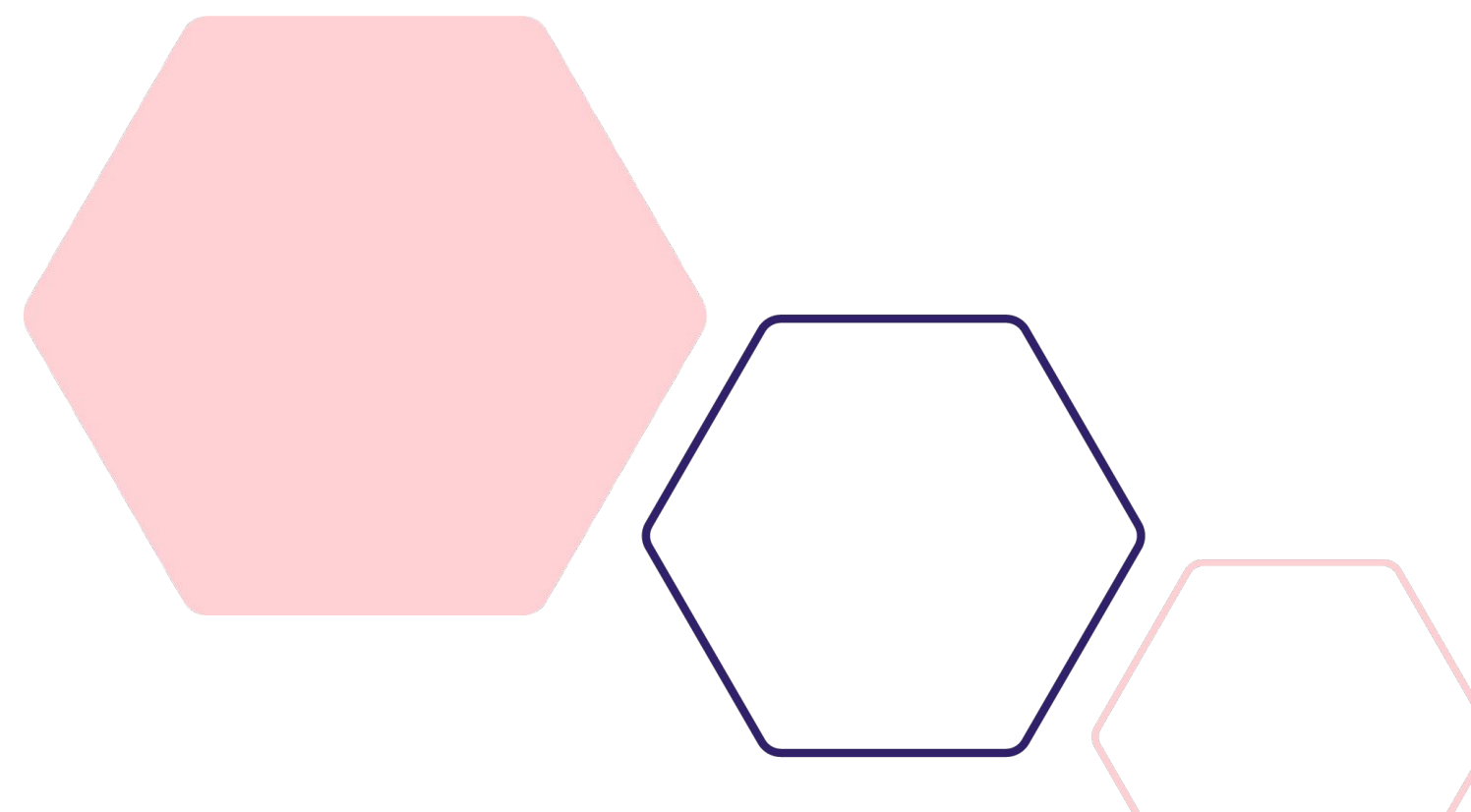
Identifying and combating flight risk

Employee attrition at Experian was a problem. **The company was facing levels of turnover that were 3-4% higher than desired.**

By building a predictive model that included 200 attributes (including team size and structure, supervisor performance, and length of commute), they were able to predict flight risk.

An example risk factor was teams of more than 10 to 12 people. The analytics team also identified flight risk triggers: when someone moved further away from the office, this would increase immediate flight risk.

The model was rolled out in multiple regions – with slight differences to the predictive algorithm. **These insights, combined with good management practices, reportedly resulted in a drop in attrition of 2-3% over 18 months** with an estimated saving of $8,000,000 to $10,000,000.

Business impact

Estimated savings of $8,000,000 to $10,000,000 over 18 months.
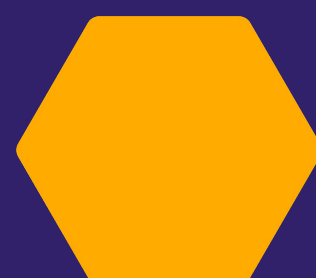
Reducing resumé screening costs

A professional services company was struggling to process the 250,000 resumés it received on a yearly basis. Automation seemed like an obvious solution, but there was a catch: the organization had set ambitious gender equality goals for its hiring. Would automated screening for education and work experience undermine these efforts?

The organization avoided this risk by using historical recruiting data. The algorithm was trained on a variety of information, including the resumés that led to job offers, and offer acceptance data. The model was able to assess how likely candidates were to be hired, and automatically advanced or rejected them based on this.

Not only did this new process save the organization money, it also helped them hire 15% more women.

Business impact

An ROI of 500% on automation and 15% increase in hiring of women, in line with organizational goals.

Source

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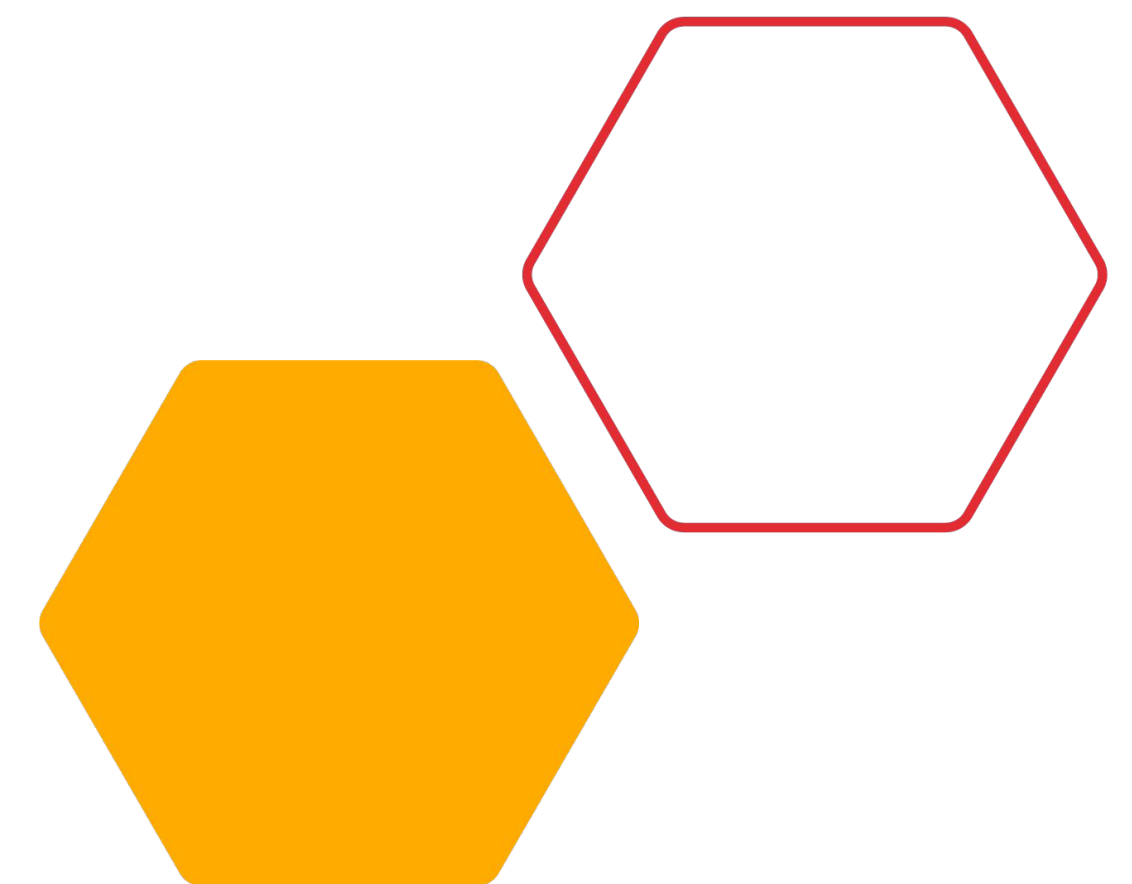
More HR Analytics resources

Explore the possibilities of People Analytics for your organization — and career.


Video: 5 HR Analytics Case Studies

In this 30-minute webinar, you will see HR Analytics in action at five different organizations from around the world, from entry-level analytics to more advanced projects.

▶ **Watch now**

Cheat Sheet: 51 HR Metrics

Your handy quick reference guide for the 4 major HR metrics categories: Performance Metrics, Workforce Metrics, Recruitment Metrics, and Qualitative Performance Metrics.

↓ **Download PDF**
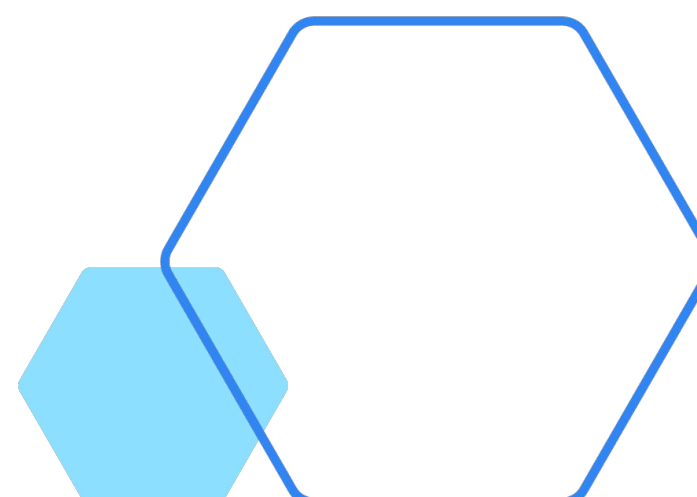
People Analytics Certificate

Become a People Analytics specialist and learn how to make a strategic impact with data

Enhance your HR toolkit with Organizational Development expertise and get the skills you need to help future-proof your organization.

Learn more

- Online, self-paced learning
- Personal coach
- Exclusive community access
- Digital certificate upon completion
- Eligible for **HRCI, SHRM & HRPA** credits

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