MEASI Institute of Management

HUMAN RESOURCE ANALYTICS

Case Study: "Predictive Insights, Missed Signals: The HR Analytics Challenge at Veriton Tech Labs"

Background

Veriton Tech Labs, a Bengaluru-based SaaS product company with 2,800 employees, has been recognised as one of India's fastest-growing mid-size technology firms. Over the last three years, the company has grown rapidly, attracting top engineering talent.

However, with expansion came a major challenge—**rising voluntary attrition**, especially among software developers and product engineers.

In FY 2024–25, the attrition rate rose to **27%**, well above the industry average of 18%. Exit interviews cited:

- Limited career progression
- Work-life imbalance
- Compensation mismatch
- Project uncertainty
- Burnout due to aggressive delivery timelines

To tackle the issue, Veriton launched a strategic initiative—**Project Insight**, an HR Analytics–driven attrition prediction model.

The Scenario

Project Insight: The Analytics Intervention

The CHRO partnered with the HR Analytics team to build a **machine learning model** to identify high-risk employees. The model leveraged 21 variables, including:

- Employee tenure
- Role complexity
- Internal mobility history
- Manager feedback scores
- Project workload intensity
- Learning hours completed
- Engagement survey scores
- Overtime logged

- Market compensation parity
- Absenteeism patterns

Within weeks, the model achieved **82% prediction accuracy** in identifying employees with a high probability of leaving within the next 90 days.

The leadership was impressed.

Rollout and Challenges

1. Misinterpretation of Data by Managers

When the first attrition-risk report was shared with managers:

- Some managers **labelled employees** on the list as "already checked out."
- A few increased micromanagement, assuming the employee was disengaged.
- Others withheld critical project responsibilities from those flagged as high-risk.

Several employees sensed a shift in managerial behaviour and started feeling mistrusted—even those who were not planning to leave. Ironically, **trust erosion increased attrition risk** further.

2. Lack of Transparency

Veriton did not clarify how the prediction model worked. Employees heard rumours:

- "HR is spying on us."
- "We are being judged by algorithms."
- "Even taking leave might put you on the attrition list."

This led to anxiety and fear, creating a **psychological disconnect** between management and employees.

3. Ethical Dilemma: Data vs. Human Judgement

The predictive model flagged **Aarav**, a high-performing senior engineer with stable performance and no signs of disengagement.

His manager, confused, assumed Aarav was secretly interviewing elsewhere and shifted a major client presentation to someone else. Aarav noticed the exclusion and felt undervalued. Within two months, he resigned—ironically validating the model's prediction, but due to **managerial actions triggered by the model**, not personal intention.

4. Skewed Interventions

Instead of addressing **root causes** like workload and career stagnation, several managers focused only on the flagged list.

HR realised that:

- High-risk individuals got attention
- Low-risk employees were ignored
- Systemic issues remained unresolved

The analytics model became a **reactionary tool**, not a strategic one.

Turning Point

When the CEO reviewed six months of data, she noticed:

- Attrition reduced only marginally from 27% to 24%
- Engagement scores dropped by 11%
- Trust in HR processes declined
- High performers were leaving faster than before

She questioned the CHRO:

"Are we using analytics to understand people or to police them?"

This led to a complete re-evaluation of Project Insight.

Rebuilding the Framework

Veriton redesigned its HR Analytics approach to be:

1. Transparent

Clear communication on what data is used and why.

2. Ethical

No punitive actions based solely on algorithmic outputs.

3. Human-Centric

HR trained managers to use analytics as a **conversation starter**, not a conclusion.

4. Strategic

Interventions focused on:

- Reducing workload imbalances
- Improving career path visibility
- Enhancing manager training
- Launching personalised development plans
- Creating internal gig opportunities

Within one year, attrition dropped to **16%**, engagement scores rose, and Project Insight became a model for responsible people analytics.

Discussion Questions

1. What were the **strengths and limitations** of the attrition prediction model implemented at Veriton Tech Labs?

2. How did **managerial misinterpretation** of analytics reports worsen employee experience?

3. Discuss the **ethical issues** involved in using predictive analytics in HR.

4. How can organisations balance **algorithmic insights and human judgment**?

5. What key steps should HR take to ensure analytics is used in a **trust-building** manner?

6. In what ways does transparency improve the acceptance of HR analytics tools among employees?

7. If you were the CHRO, how would you redesign the analytics communication and intervention strategy?