An HR guide to

UNDERSTANDING PEOPLE ANALYTICS

| LESS THAN 1 YEAR | 1+ YEARS | 2+ YEARS | 3+ YEARS | 4+ YEARS | 5+ YEARS |
| 4% (14) | 14% (55) | 44% (177) | 22% (89) | 14% (57) | 2% (7) |

| Pronouns | Food Preferences | Employment Type | DEPARTMENT | SITE | TENURE (YEARS) |
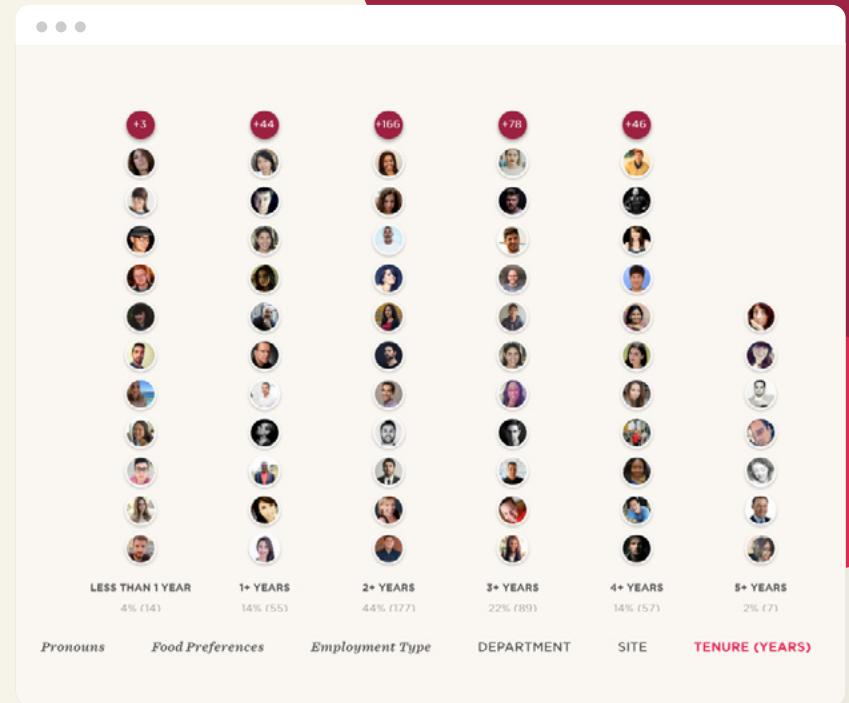
The necessity of people analytics

The new world of work has thrust organizations from every industry into a competitive landscape that forces them to do or die. One technology area whose adoption can mean the difference between long-term success or outright failure is deep analytics. Big data is no longer just for marketing or R&D; analytics are applied to improving outcomes and raising the bar in every area of business, including human resources. Research by Accenture shows that 62% of companies use new technologies and sources of workforce data regularly.

As artificial intelligence (AI) gains traction, new tech developments enable business leaders to better understand their people. Companies of all sizes are implementing people analytics and seeing better outcomes as a result. Analyzing data on employee relationships offers insights into the organization's network dynamics and drives strategies that impact growth.

Recent and upcoming innovations include performance management and analytics tools to help organizations deliver real-time data to managers about employee sentiment, performance management, goal attainment, and ongoing development.

What is people analytics, and does it differ from HR analytics and workforce analytics?

People analytics is often used interchangeably with HR analytics and workforce analytics, but there are slight distinctions, as shown below:

People analytics is a data-driven and goal-focused method of studying people processes, functions, and challenges at work. Rather than solely relying on instinct or anecdotal experience, people analytics provides HR leaders with comprehensive data to make evidence-based, strategic decisions.

HR analytics are concerned with the metrics of the HR function such as time to hire, time to fill, turnover rate, and absenteeism rate.

Meanwhile, workforce analytics is an all-encompassing term, referring to the organization's employees. Workforce analytics measure employee engagement, examine current trends, and analyze organizational structure.
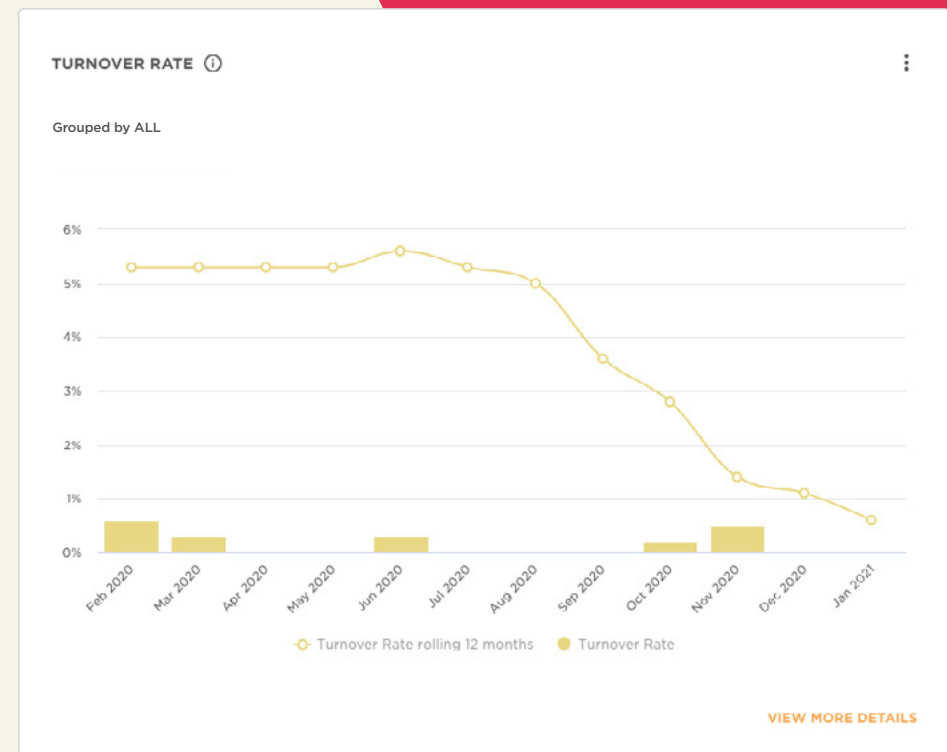
What is ONA?

Organizational Network Analysis (ONA) is a methodology for understanding relationships and collaboration patterns among employees. It often reveals a structure that differs significantly from the organization's formal or intended structure. ONA provides organizations with a new lens to evaluate their people, highlighting key individuals who might otherwise be overlooked.

Benefits of people analytics

Today's CEOs are seeking ways to build a company culture that breeds success. As org charts flatten and traditional hierarchies are replaced by agile teams, people analytics offer much needed insights about employee behavior, skills, engagement, teams, networks, collaboration, and how work really gets done.

Insights like these can enhance productivity, drive performance, and unlock innovation. They are as beneficial to employees as to business leaders, who apply this data to improve the employee experience.

TURNOVER RATE ⓘ

Grouped by ALL

⚬ Turnover Rate rolling 12 months   ● Turnover Rate

VIEW MORE DETAILS

Analytics for current decision making:

1. Optimize people management

Finding qualified candidates is difficult, and retention is even harder. Using people analytics to leverage data about your employees will provide insights into your best and worst performers. It can factor in work experience, duration of employment, and who they report to. When a common thread emerges from the data, this can drive managers to reward these employees, motivating their progress internally.

HR analytics on the rates and dates of promotions, along with qualitative data, enable business leaders to breed motivation and meet employee expectations. Such data can also pinpoint employees who exhibit the qualities of potential managers.

2. Drive employee engagement

Today's managers are aware of the far-reaching and ill effects of a disengaged workforce. Employers are more committed to providing an improved employee experience, and there is an increased usage of employee engagement surveys for building engagement strategies. But determining how to quantify this metric and act upon it remains a great challenge.

Using a data-driven approach from HR analytics can help foster employee engagement. Through employee engagement surveys, people analytics can test new ideas to enhance current engagement, analyze various departments to understand their needs, and correlate initiatives to improve productivity or retention.

One great example of using people analytics to enhance employee engagement is Google's Project Oxygen. Using a combination of employee surveys and productivity analytics, Google's leaders discovered that a great manager tends to have the following qualities:

- Good coaching skills
- Empowers without micromanagement
- Creates an inclusive team environment
- Productive and results-oriented
- Excellent communicator (listens and shares)
- Supports career development and discusses performance with employees
- Possesses a clear vision and strategy for the team
- Owns technical skills to help guide the team
- Collaborates across the company
- Strong decision maker

3. Pay attention to retention

A study by Deloitte revealed that among millennials, loyalty to employers is deteriorating as well as confidence in business. 43% of millennials plan to leave their jobs within two years, and only 28% plan to stay more than five years.

According to PricewaterhouseCoopers, the average cost of replacing an employee is between 50-150% of their annual salary, and up to as much as 400% for key specialist or executive positions. This number grows exponentially when factoring in employee training and onboarding, lost productivity, costs associated with recruitment, and the negative impact on morale of coworkers left behind.

Since losing a top performer can directly impact business growth, HR departments prioritize using analytics to improve employee engagement and decrease employee attrition. People analytics can highlight why people are quitting and what practices need to be implemented to reduce churn. Examining this data can prevent issues before they surface, enabling business leaders to take preemptive action to prevent attrition.

Some data points that are relevant when analyzing churn include:

- Churn rate
- Attrition by department, commute, duration of employment
- Employee onboarding experience
- Engagement survey data
- Qualitative information from employee interviews and reviews
- Performance data to forecast future attrition

Analytics for predictions and future decision making:

1. Improved recruiting practices

Data-driven analytics can provide HR departments with information to bolster hiring strategies. Knowing which profiles were successful hires for a company, or the kinds of methodologies applied in successful hiring can hugely impact your talent acquisition. Knowing what didn't work is of equal importance. Such data will reduce mismatches, both in terms of skill and culture, ensuring a smoother onboarding process. It also helps managers anticipate people quitting through studying trends surrounding employee happiness and fulfillment or discontent, and when they are most likely to leave. This critical data enables HR departments to plan better, devising strategies that will foster a people-centric culture of growth, development, and reward.

2. Enhanced employee training

Employee learning and development programs should be integrated into every employer's plan, offering employees opportunities to advance. People analytics make it easier for employers to define the skills that are most in need, and where to allocate these resources. This is true for the employee onboarding process too, which requires continuous maintenance to ensure successful integration and development of new hires for their initial 18 months in an organization.

3. Harness the power of AI

As machine learning and artificial intelligence gain popularity, companies should aim to integrate this technology to automate their operations. People analytics provide the data for identifying inefficient processes and implementing superior solutions using AI.

How to make it work for your organization

Best practices in people analytics

While a successful people analytics strategy may look different from one organization to the next, this checklist of best practices will apply across the board:

People analytics should be connected to the needs of the business. Selecting data with direct relevance to the company's success will make sure you measure the right things. It will also help obtain executive buy-in when you seek to expand your scope.

Though it may be tempting to dive right in to a new HR analytics program, dip your toe in first. **Build a solid foundation** by gradually expanding your program, which will benefit you when the time comes to integrating data from other departments.

When building a case for how HR analytics will advance your company's agenda, be flexible with your strategy regarding changing drivers and context.

Consider the quality of data and its accessibility, ensuring metrics are simple to interpret and easy to measure.

Identify the best people in your organization to become accountable for specific metrics, and how their involvement can benefit the program's scope.

Predictive analytics can help preempt bad hiring, unengaged personnel and voluntary turnover in your workforce. Be sure to **use your data in a proactive, not reactive, manner.**

The value in analyzing relationships

The relationships employees have with one another, together with their individual attributes, can explain their workplace performance. The key is finding "structural signatures" patterns in the data that correlate to some form of good (or bad) performance.

Analyzing relationships can give employers insights into an individual's place in their organization. It identifies individuals with the greatest number of connections, who tend to be central to many operations and have greater opportunity to collaborate. Other personas that surface from relational analytics include:

Brokers: Those employees with connections that are not highly connected to each other. They tend to hear diverse opinions that help drive innovation.

Influencers: These people have connections that are highly connected to others. They are in the best position to spread new ideas quickly throughout the network.

Vulnerabilities: These are single points of connection for other employees, who would otherwise be disconnected from the rest of the network.

Least connected: These people are either completely disconnected from the network or connected to others with few connections.

The analysis of the personalities above are highly valuable to employers. Large organizations can also benefit from applying ONA at the organizational level to reveal relationships between groups, whether departments, sites, gender, etc. These analytics compare groups by measuring:

Density: The interconnectedness of the network.

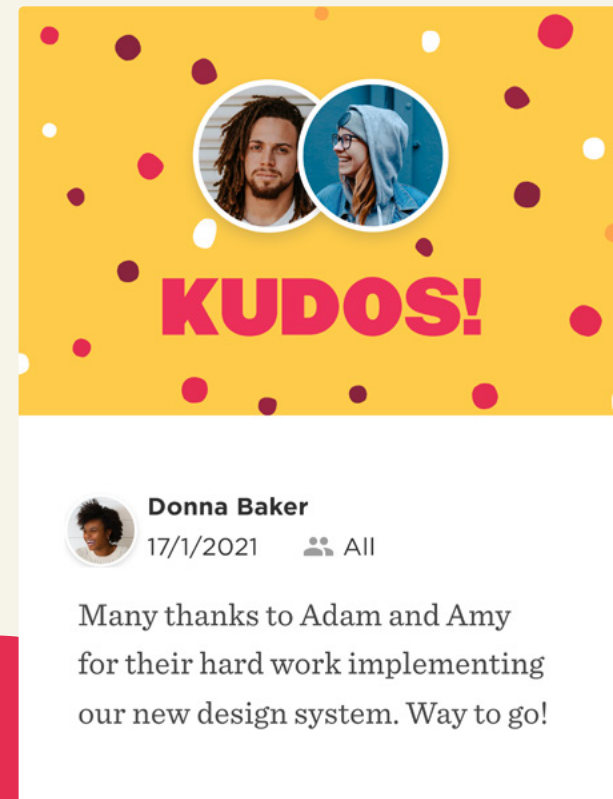**Centralization:** Whether the network is structured around a central hub.

Reciprocity: How many connections in the network are two-sided.

Harnessing relational data about employees provides managers with a new level of insight that can highlight your company's best idea generators, sharpest decision-makers and most talented innovators. It can point out the team player that is most likely to achieve a performance goal, or determine how a staff assignment can fill a particular managerial need. These analytics have far reaching benefits that attribute analysis cannot provide on its own.

TEAM LEADER

MENTOR

TOP PERFORMER

INFLUENCER

CONSULTANT

UP FOR PROMOTION

NEW JOINER
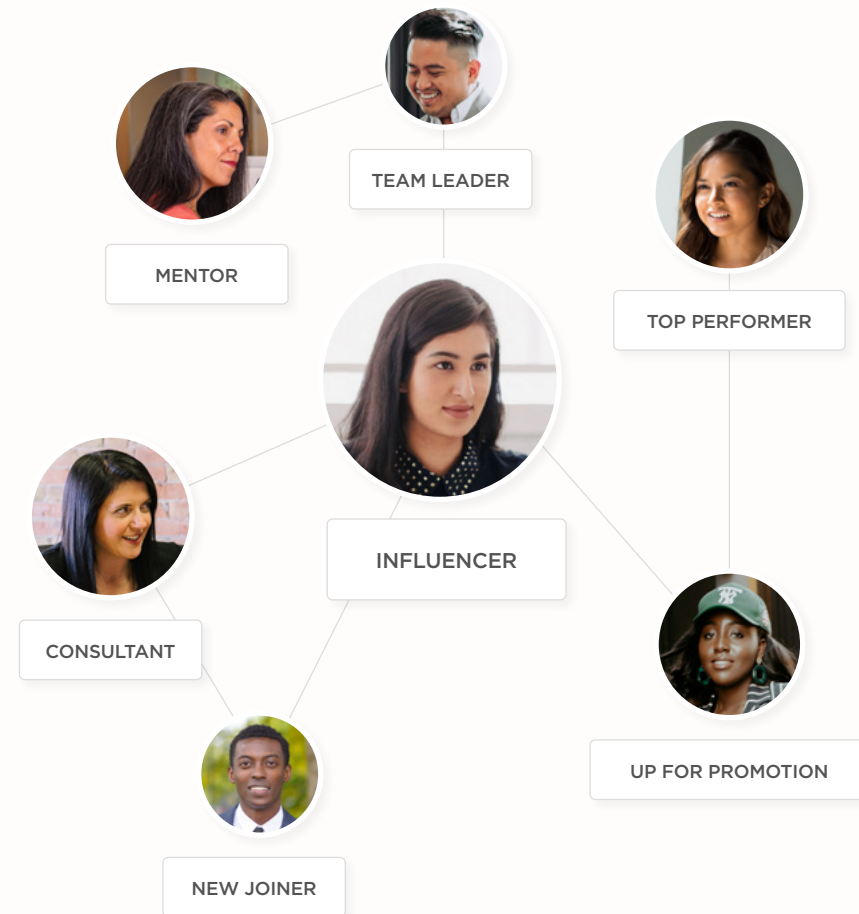
The success of every business depends on its people

Today's world of work recognizes the significance of prioritizing employee growth. When you grow your people, you grow your business. New technologies are continually reinventing HR's relationship with the workforce. Just as consumer data analysis is an obvious and essential part of every business, the C-Suite has come a long way in recognizing the value of applying such analysis internally. Using evidence-based practices, organizations are more likely to deliver sustainable outcomes, focus on employee retention, and build a positive workplace culture.

KUDOS!

Donna Baker
17/1/2021   All

Many thanks to Adam and Amy for their hard work implementing our new design system. Way to go!

HR and business leaders are moving away from merely reporting data in favor of actionable analysis that can drive strategy. Incorporating people analytics into your organization will offer insightful data to build a people-centric strategy.

Analytics provide visibility into the health of the organization, maintaining a focus on workforce stability, employee wellbeing, career development, employee engagement, inter-organizational communication, and relationships. Implementing people analytics can build transparency and improve trust when approached by management in a manner that benefits its people. The ideal decision making process will apply people analytics together with the human approach.
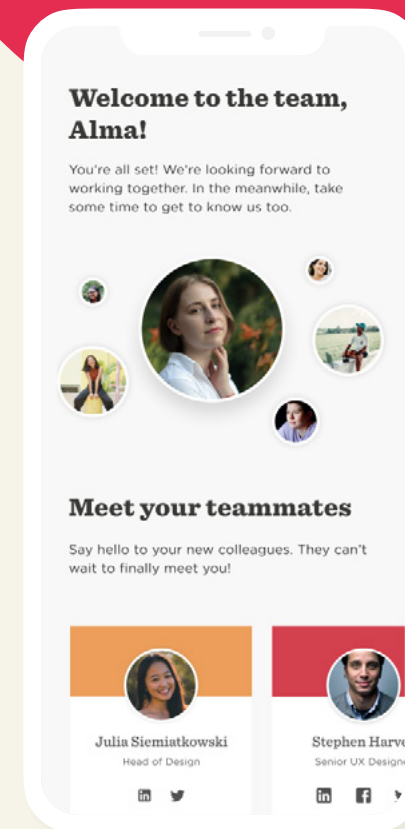
Using an HR platform that enables end-to-end data collection will offer greater visibility and accuracy, applying relational analysis to reveal your organization's most powerful influencers and relationships. Unearthing this data equips managers with critical information to improve performance, ignite culture, and lead your organization down the road to success.

Meet bob

We know how important it is to make holistic, data-driven decisions about your people, especially in light of today's modern workplace changes. That's why we built bob, an employee experience platform that provides valuable and personalized insights to grow your company's relationships, productivity, and retention.

bob harnesses the powerful combination of data and human factors to give HR professionals the predictive and analytical understanding they need to make better people decisions.

Welcome to the team, Alma!

You're all set! We're looking forward to working together. In the meanwhile, take some time to get to know us too.

Meet your teammates

Say hello to your new colleagues. They can't wait to finally meet you!

Julia Siemiatkowski
Head of Design

Stephen Harvo
Senior UX Design

Now is the time to make smarter decisions when it comes to your people and organization.

To learn more about Hibob and our data-driven tools, get in touch with us at

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SCHEDULE A DEMO

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