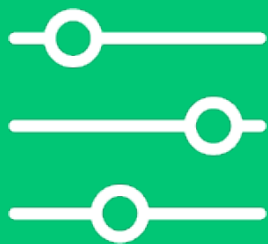




Trends in People Analytics

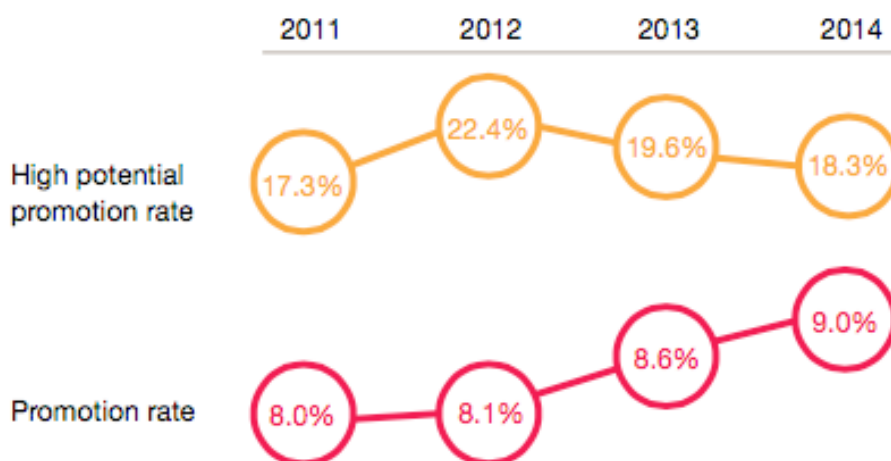


People Analytics seems like such a broad term, covering a range of different functions and technologies. It is growing, however only 14% of HR teams are estimated to be using all of the analytics functions they have at their disposal. While People Analytics as a term is still in its infancy, people have been utilising data for years in order to make the best decisions for their business, helping it to grow and profit. When making your decisions, you always want access to as much information as possible so you can be informed. It's like trying to buy a birthday present for your sister's boyfriend's aunt's kid while only knowing they're under the age of 18 and don't like dolphins. You don't have the information to make a good choice. Much better to ask why in the world you'd be buying such a kid a birthday present, reevaluate your choices, and find out more about them.

A study into PWC trends in the workforce found that high-level talent is just no longer motivated to stay with their companies. Furthermore, Labor Cost Percent Revenue increased from 28.2 to 29.9%. This measure examines workforce productivity, and these statistics show that companies are investing more for less return in productivity and employee effort.

So what's the problem?

Today's workforce is facing a number of decreases in revenue and talent loss. And it's not just the high performers. The rate of High Potential Promotion has slipped recently, decreasing from 9.6% to 18.3% even though overall the promotion rate increased.

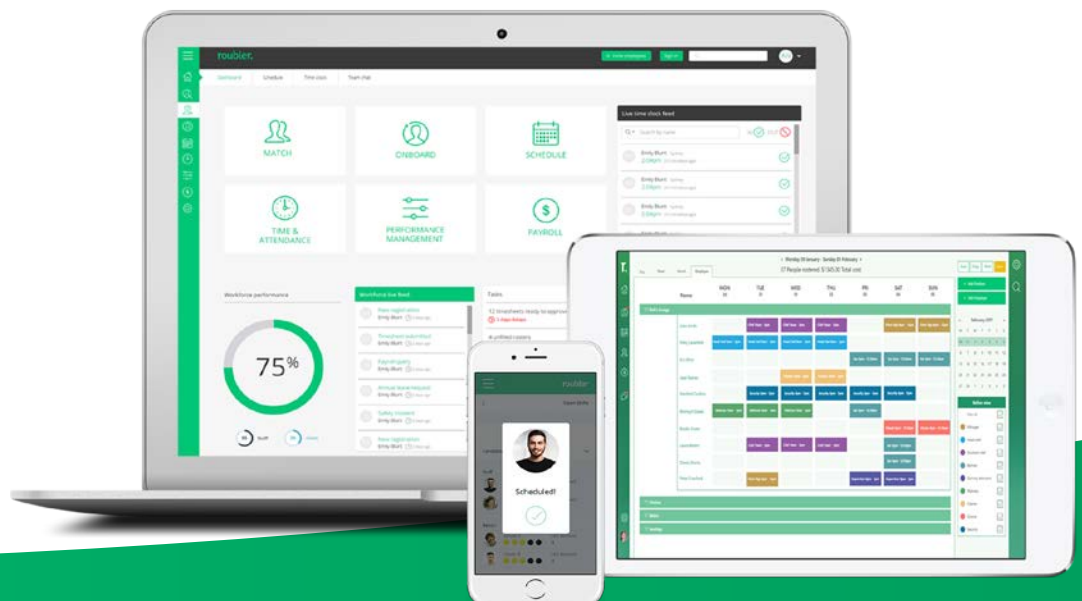


Diversity is similarly decreasing, with the Female Executive Headcount percentage going down from 26.7 to 25.7%. The Ethnically Diverse Executive Headcount percentage, which was already exceedingly low, dropped from 11.6 to 10.7% from 2013 to 2014. While this just seems to be naming a number of problems in the workplace, from employee discontent, poor leadership programs, to an undiversified workplace, this is all information coming from analysis, research, and data. And with some help, you can utilise this data to optimise employee productivity and results for your business.

What is People Analytics?

People Analytics, also known as Talent Analytics, unsurprisingly, studies people. 98% of the world's data is now stored online, and if it can be accessed, it can be used. People Analytics analyses data to provide insight and answers into a range of workforce related processes. These range from hiring and firing, leadership, promotions, to performance management. With people analytics, you can use the data you've collected about your employees to answer questions like:

- What type of employee is likely to succeed in a managerial role?
- What factors keep employees engaged and likely to stay with the business?
- What environment drives larger revenue?
- What kind of applicant does well in sales?
- Which employees are at risk for accident claims?
- Where is the business failing and what are the gaps in talent in that area?



How can People Analytics help your business?

The benefits of People Analytics fall into three categories: past, present and future. People Analytics can look into the past successes and failures of your business, examining what has gone poorly and well for you up until this point. You can ask questions like, what kind of person has gone on to do well in my business? Where did they come from? What skills do they have that my other recruits do not?

In the present, data analysis can be used to look at individual candidates for recruitment. By using People Analytics, you can analyse each potential employee's merits and achievements to make the best decision for your company at the time.

Looking to the future, you can utilise predictive analytics. Using a collection of historical data, you can anticipate how changes to hiring or your company could possibly affect the future of your business. People Analytics is useful in this respect in keeping you from making costly mistakes, especially if the numbers don't add up in your favour.

Trends

More often than you think, data can tell a story that doesn't cohere with commonly held ideas. For example, when hiring the best salesperson for the job, a particular company aimed to hire applicants from good educational institutions with high GPA's. After performing a statistical analysis on sales productivity and turnover, looking at individual employees and demographic factors over the first two years, results did not agree with this assumption. Things that correlated highly with the success and output of a sales employee were:

- A lack of spelling/grammar mistakes on their application/resume
- A consistent education (they completed a qualification without quitting)
- Success in a previous form of employment
- Prior experience in selling expensive products (sales experience)
- Prior experience working in an unstructured environment.

However, unlike previously thought, things that were not correlated highly with the success of the employee were:

- GPA
- The educational institution they attended
- Their reference quality

This information was integrated into recruitment, which improved company revenues by \$4 million. So what are businesses doing in the world of People Analytics?

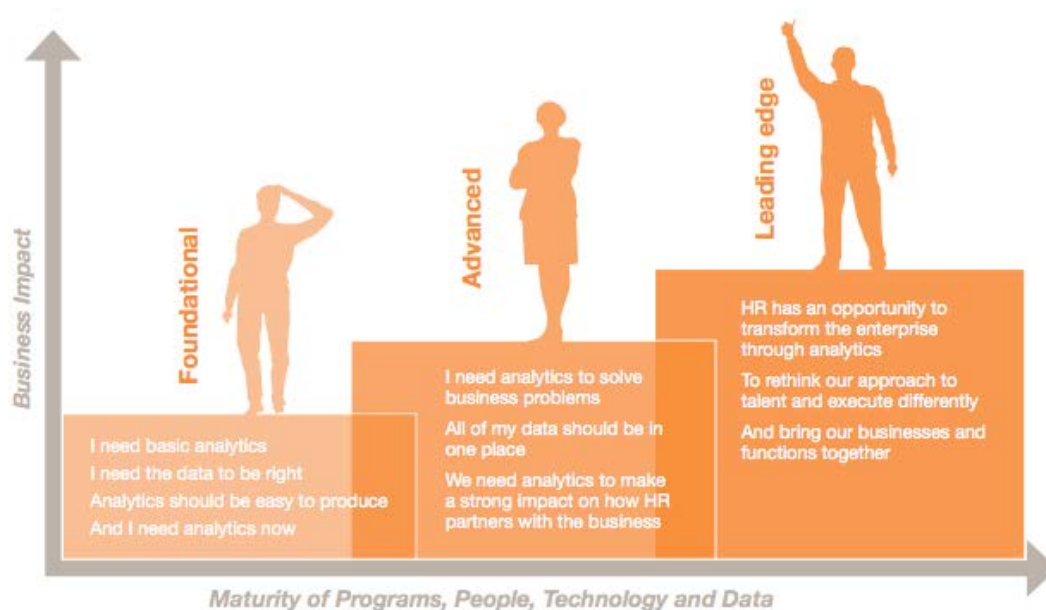
Building a People Analytics function.

86% of PwC Saratoga participants who were surveyed agreed that building on or creating a People Analytics area was a top priority in the following three years. Less than half, 46% of those surveyed had any form of people analytics function already. Other research found almost a third of companies in 2016 believed they were prepared to dive into the world of analytics. This is up 8% from 2015 (24-32%), a massive jump, however work still needs to be done to raise this figure. People analytics can be complicated, as it requires ability in data analysis, statistics, problem solving and more. In order to build a People Analytics function, often companies will have to hire employees who have these capabilities. However, the main issue cited by the PwC Saratoga report in terms of barriers to successful data reports was too many unintegrated systems. 69% saw this as a problem, while 56% also saw the manual work required as another major issue.

Building a successful people analytics function will not happen overnight. But over time, companies are integrating their HR systems into one, saving time and energy. 25% of companies plan to move their data to the cloud in the next few years, while automating the processes that don't require human intervention. It's important to have a strategy for the future when implementing such a change in your business.

Using tech tools to facilitate growth of People Analytics functions.

There are a number of analytics technologies in the market, and while they won't entirely replace the pre-existing skills of your workforce, they can make the data more readily available and consolidated. It's important to choose the right technology for your business. roubler is single system HR efficiency. With roubler you can manage every aspect of your workforce from anywhere, at anytime, on any device. Recruit, assess, onboard, schedule, T&A, business analytics and fully managed payroll all on the one device.



Data governance.

Being organised with data governance is incredibly important when building your people analytics function. If the information isn't organised, or overlaps, the wrong information could be drawn and poor decisions could be made. For example, if there's been a company acquisition where employees are working on two different systems, it's important to acknowledge and rectify any places where data may double up or be missing due to lack of integration. Research by Josh Bersin found companies have between 5 and 7 systems of record for their data. Only 6% of PwC Saratoga participants surveyed were "very satisfied" with their people data. Although organising your data seems about as fun as opening a biscuit tin to discover it's full of sewing supplies, when your people analytics function lifts off, you can make decisions and take full stock of your data knowing that it's accurate and reliable. Make use of your IT department where you can, and outsource if you have to, because in the future having this data available can create revenue and prevent employee attrition. Furthermore, while building your people analytics function it's important to ensure your data is collected ethically and securely so that your data stays your own.

Furthering predictive models and predicting risk.

In 2015, only 4% of companies truly believed they could develop predictive models. This year, that number doubled to 8%. It's all well and good to be collecting a wealth of data, but the next achievement of HR departments is being able to effectively interpret the data in a meaningful way. For the future, predictive models help understand the risk involved in decisions. HR departments are increasingly using integrated HR systems to help them do so, as the information is gathered in one place for ease of access and use. It's important to note that applying the data you've gathered to an actual workplace setting can be difficult, as sharing information with employees could help them find ways around the system, or make them feel disenfranchised or worried about their position. When implementing changes sometimes complete transparency could be dangerous. If you have validated and reliable prediction model, make sure it stays in the right hands.

Building targets and benchmarks.

Predictive models may help you understand how a decision may affect the future of the company, but for those not as well versed in people analytics, being able to present the information visually works as a persuasive tool. Define what you want to achieve, and lay out in graphs how previous data suggests this idea will help you do it. Visual information can also make it abundantly clear how your company compares to another in terms of anything from revenue to employee turnover. If you have the data, there is a way to use it. When building targets and benchmarks into a people analytics function, companies look at the areas in which they're falling behind. They examine areas of importance or interest, and take into account the historical data from their company thus far. For example, if they're looking to improve the speed in fixing tech issues, but they have less funding each year IT support takes longer and longer to respond, perhaps the company has to find a way to train workers to be more efficient with less people. Or alternately hire Bill Gates to do it on his own. If you make a target, ensure it's a priority and realistic taking into account how your company has been doing in the past. There's no point designating time and resources to something you need done now that won't be achievable for years.

People analytics may seem complicated, but with the right team and resources behind you, your business can take its first steps into the world of data governance and integrate technology, which will save you time, money, and keep your employees happier and staying longer.

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