



Moving Beyond Dashboards: Making People Analytics Work



Part of Learning Technologies Group plc *ltg*

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Introduction

You want to support your people in the best way you can and that means having access to the right information. You already have key metrics at hand and they can tell you a lot about how your company is doing, but that isn't the end of the story. Your data also has a wealth of insight just waiting to be uncovered and people analytics is the tool you need to find it. This is important because although metrics can tell you how you are doing, they don't tell you *why*.

People analytics is about that *why*. There's no shortage of data, and diagnostic information may already be close at hand, but the crucial information that it contains may not be immediately obvious. If you haven't already realized it, now is the time to embrace the idea that your collected data is a valuable resource that you can mine for diagnostic purposes, strategic insight, and predictive power.

Creating a data-driven business is important for many, with 70% of company executives citing people analytics as a top priority¹. But it's still proving to be a challenge. A 2021 survey of 85 US firms found that only 30% have a well-articulated data strategy, and just 24% have created a data-driven organization².

Businesses need to understand how people analytics can work both now and in the future. This means understanding what data you have and how best to make sense of it. It also means ensuring that you're collecting the relevant data. In overcoming these barriers and applying the proper analysis to the correct data, you can successfully make people analytics work for your business.

¹ The Wharton School of the University of Pennsylvania. (May 2019). 'How People Analytics Can Change an Organization'. [Available online](#).

² NewVantage Partners. (2021). 'The Journey to Becoming Data Driven: A Progress Report on the State of Corporate Data Initiatives'. [Available online](#).

What Is People Analytics—And Why Does It Matter?

People analytics is the practice of collecting and transforming HR data and organizational data into insights that improve the way you do business. Put simply, you can see both your strengths and weaknesses and act accordingly. People analytics gives you the ability to better understand the workforce and your own structure, and from there, the power to make effective change.

Raw data is hard to visualize, the connections between metrics are not always obvious, but with people analytics, the data is analyzed and correlated in a way that suits you. This information is presented in easily understandable graphs, charts, and visualizations. If you have the questions, it can provide the answers.

Using this insight, you can back up your instincts with facts and rely on data-driven strategies that help your organization grow. When you can see the truth, you can create a better future for you and your workforce.



How Can Businesses Benefit From People Analytics?

According to CIPD, the use of people analytics is positively associated with overall business performance, as 65% of those who work in a strong people analytics culture state that their business performance is also strong. By comparison, just 32% of people in organizations with a weak analytics culture would say the same³.

How can the use of analytics tie in so strongly to business performance? The answer lies partly in the depth of insight that it can give you into the mindset of your workforce. People analytics can be applied to give insights into employees' motivations and using this data, businesses can make better-informed decisions...

This insight drives better organizational strategy and your business will be stronger for it. There are many practical HR challenges that you face every day that can be more easily solved with analytics. There are many more applications of analytics to the particular questions that you may have but one thing is certain, being able to use data to build insights has a number of benefits.



³ CIPD. (Jun 2018). 'People analytics: driving business performance with people data'. [Available online.](#)

1: The Power to Make More Informed Business Decisions

A 2018 study revealed that 40% of businesses still believe they're making decisions based on instinct, rather than data⁴. But instincts can only take you so far! As your business expands, it becomes increasingly difficult to have complete knowledge of your organization, and your instincts may lead you astray. Informed decision-making, and backing your keen business instincts with insightful data, can prove a far more powerful combination than relying on instinct alone.

People analytics can provide you with that data, an all-encompassing overview of your business that allows you to make the right decisions for the future. It can reveal your company's weaknesses, its strengths, and where improvement is possible.

2: Improving Employee Retention

In today's competitive talent marketplace, many organizations are struggling to retain their top talent. **Having a people analytics strategy in place can help you to better understand why your key people are leaving.**

Analytics can cross-reference details such as promotions, salary bands, employee satisfaction, and management trends. Are you paying your best employees a competitive wage? Analytics can answer that question! It can also reveal whether a particular department or manager regularly experiences churn, and cross-reference this data with your exit interview reports. Does this department require a bit more management training to truly be effective, or is your attrition rate industry-standard for this department?

⁴ Experian. (Apr 2018). 'Global research into business priorities and challenges'. [Available online.](#)

3: Streamlining Processes

Analytics can give you valuable intelligence on how the company works as a whole and, in particular, how the various departments function together. Some parts of your business may work faster than others and some may be particularly good at certain tasks. Insights like these will allow you to assign workloads more strategically and streamline your processes.

As well as providing a snapshot of your company's performance at one moment in time, people analytics can also be used to track the impact of organizational changes moving forwards. By analyzing metrics such as employee engagement and productivity over time, you can chart the success (or lack thereof!) of your decisions. With this information, your decision-making ability can deal more effectively with challenges in real-time and you can correct the course of your business strategy before major issues arise.

4: Easing Risk

It can be difficult to have a complete picture of your company, particularly when it comes to areas such as the diversity of your workforce, and equally importantly, whether your company culture is inclusive to your diverse hires. If prospective employees feel that they're not getting a fair chance during the hiring process or current employees feel that they're excluded in the workplace, it could represent both a reputational and legal risk to your company.

Analytics can give you a dispassionate and unbiased view of your company and alert you to any exclusionary practices, gender-related pay inequity, or unconscious bias in all aspects of your company. Finding these can mitigate the risks to the company of being in breach of employment law. These factors can present major pockets of risk if organizations don't act⁵.

⁵ Aon. (Jun 2018). 'How to Manage People Risk'. [Available online.](#)

5: Streamlining Processes

Your company may well have a number of teams working on a variety of tasks simultaneously and the raw performance data can obscure valuable insight. With a wealth of unprocessed data, it can be difficult to see how individual tasks are performed and how that performance impacts the company as a whole.

People analytics allows you to focus on each component of the whole in isolation and see if a particular task is proving more difficult than others. In this way, people analytics allows you to find where any skills gaps lie. Rather than recruiting for new roles, existing employees can be upskilled within current roles or reskilled for new roles by taking advantage of learning and development opportunities.



How People Analytics Helps You Make Sense of Your Data

The sheer volume of data available to modern organizations can be overwhelming and it's not always obvious how individual data sets relate to each other.

For example, you may want to find a connection between employee engagement and levels of training. To answer this question, people analytics not only looks for patterns in individual data sets, but it also helps you look for correlations between those data sets and presents the findings to you in an easy-to-understand way.

Analytics will transform the wealth of data you have into a far clearer picture of the complex machinery of your business and give you the information you need to fine-tune it.

Using People Analytics to Make Insights Digestible

Your people analytics platform presents insights in a consumable way. Looking at raw data won't tell you much, but all the information you need is in there once the data is sifted and presented correctly. People analytics takes your data and serves it back to you as charts and graphs. It can raise new questions, reveal previously unknown answers, and summarize all this information in easy-to-understand—and action—guidebooks. People analytics informs how and why you make the decisions you do.



How to Overcome Some Common People Analytics Barriers

While 74% of organizations maintain that HR technology is important to them, data from our research partner Visier shows that only 26% of respondents feel they're effectively using technology and analytics to improve their teams⁶. Despite the wealth of benefits that technologies like people analytics could bring, some businesses aren't able to make the most of the tools they have at their disposal.

We get it! Sometimes there are obstacles to implementing technology that looks great on paper. We see three common barriers to working with people analytics—and propose that each has a fairly straightforward solution:

1) There Are Gaps in the Data

Some organizations struggle with the data they have. Maybe there isn't enough to work with. Maybe the types of data that they've collected were poorly chosen. It's not uncommon for data to be muddled and unclear. With HR data, this can be caused by gaps in administrative or business processes. HR data deserves to be treated as a high-importance item—more often than not, its processes end up being loosely followed or abandoned altogether.

How to Overcome Data Barriers

The best way to highlight the urgency of fixing these gaps is to expose the impact that unclear data has on decision-making. First, highlight specific instances where this has happened, and treat fixing and following these processes as necessary preparatory work for people analytics. Then make it clear that bringing all your data together from across your organization allows you to see patterns that wouldn't be obvious from looking at discrete data sets in isolated systems.

You should look to build your people data capability and systems with this in mind, as there are clear benefits to both HR and finance if both professions can use the same data in your decision-making processes. Emphasize how having all of your departments read from the same page is a far more effective organizational tool than having them read from different books. Low access levels can be overcome with increased uptake of technology systems, and with an emphasis on improving accessibility by ensuring all users are confident in using systems.

⁶ Visier. (2019). 'What is People Analytics'. [Available online.](#)

2) Securing People's Data Is Complicated

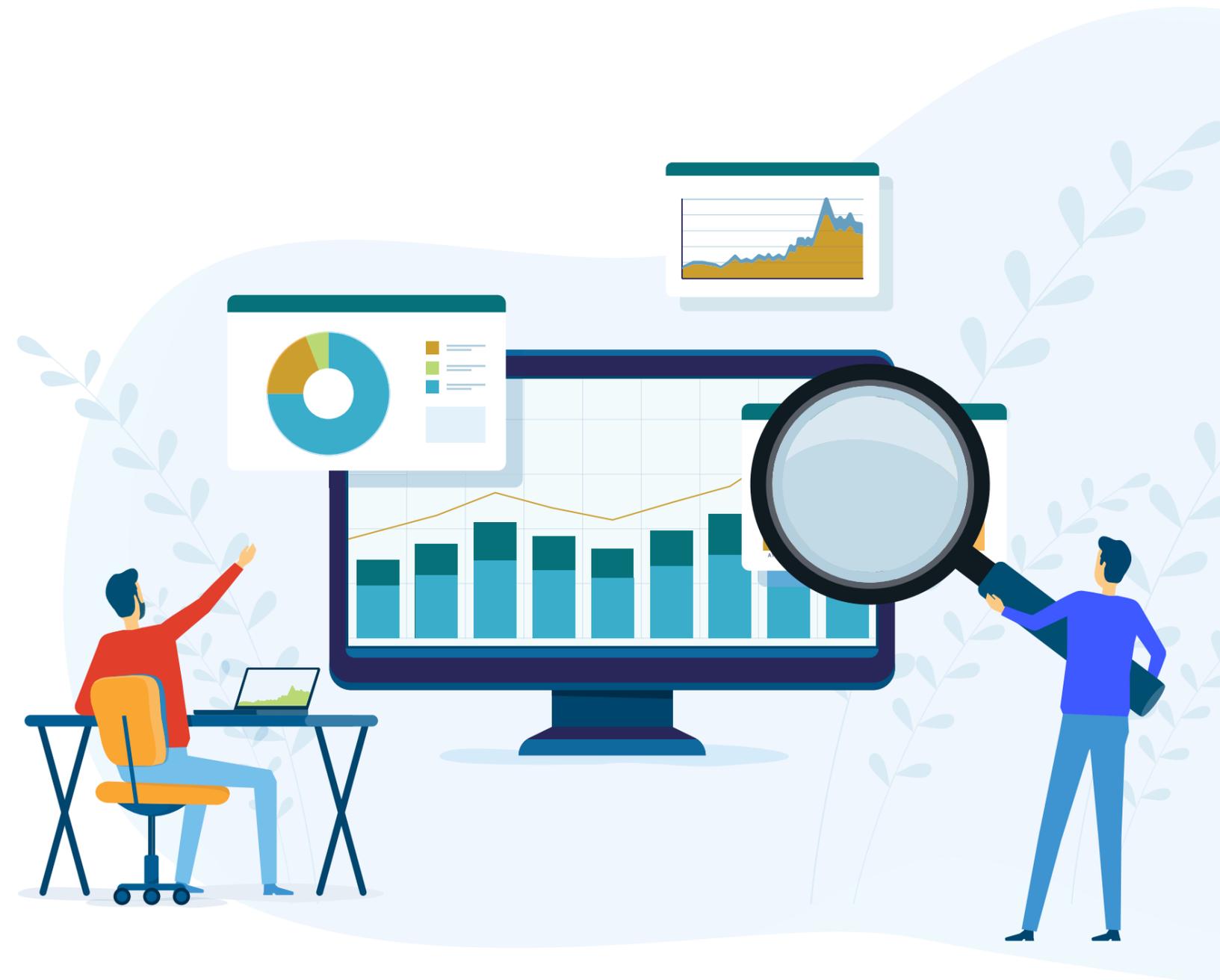
As an HR leader, you know better than anyone that your people data requires the utmost security. You're responsible for handling people's personally identifiable information, their salary, their banking information, and their healthcare data.

How to Address Security Concerns

Transparency is key when implementing new technology. You must work with your privacy officer, IT department, and data governance team to ensure vigilance for bias, privacy violations, and security risks.

3) Employee Resistance to Big Data

People analytics is a powerful tool that can provide you insight into your employees' mindsets, possibly more insight than your employees would be comfortable with. Collecting data without thought to the consequences of it can lead to employee resistance. After all, nobody likes to feel that they're being spied upon.



Creating Fairness and Transparency

People analytics can provide an in-depth insight into your organization: what's working well, what's not working, and areas for improvement. However, as capabilities become more powerful, so too should your data ethics.

According to talent industry analyst Josh Bersin, there are four organizational capabilities needed to enable people analytics to be used in an ethical manner. Adhering to these principles will ensure that your data analysis is used to create fairness and transparency⁷:

1: A People-First Mindset

Keeping people—and what's good for them—at the center of data practices requires a mindset that doesn't focus too narrowly on process efficiency or cost savings at the expense of employees.

2: A Partnership With IT

Developing new data tools and technologies relies on a good relationship between IT and HR departments. This relationship can also be used to ensure that IT policies are in line with HR policies in a way that maximizes privacy, and the positive impact our technology has on our people. This starts with open communication across functional teams and silos.

3: Communicating Widely and Often

Transparent communication is the basis of trust between teams. By creating an open dialogue about how you're using your people data and why, you can also empower employees to keep you accountable and provide valuable feedback. This can help fine-tune and improve your people analytics practices.

4: Creating New Specialist Roles

Data literacy has quickly become a nearly indispensable skill for all HR practitioners to have, but there's already more than enough complexity and scope for full-time HR data specialists to be employed separately.

⁷ Bersin, J. (Jul 2020). 'Privacy in People Analytics'. Bersin Academy. [Available online.](#)

Getting the Most From People Analytics: Key Metrics

When implementing a people analytics strategy, you need to know the most relevant metrics to make the best use of your data. Defining your metrics will help you to visualize your data, provide information on whether the strategy you have in place is successful, and how to optimize your results. We see two key areas, with accompanying metrics:

1) Diversity and Inclusion

According to reports, more diverse workforces show an up to 20% increase in overall innovation⁸ and a 32% increase in productivity⁹.

Policies of diversity and inclusion have a measurable impact on your employees, too. Deloitte research shows that organizations with an inclusive leadership experience a 17% increase in team performance, a 20% increase in team decision-making quality, and a 29% increase in team collaboration¹⁰. These numbers speak for themselves, and measuring your DE&I metrics makes good sense.

Whether through compliance with local labor laws or as part of the work of a dedicated DE&I team, you need to be actively benchmarking where your organization sits today in order to understand whether you've got a problem. This usually means

measuring not only who you're hiring, but also, for example, examining pay disparity and promotion rates across ethnic and gender groups. It's also about examining how your organization deals with other diverse talent pools, such as veterans, people with disabilities, and even people of different ages and education brackets. Organizations need to be more proactive in tackling diversity, equity, and inclusion—and people analytics can help.

2) Employee Engagement

Knowing how committed and engaged your employees are is crucial for the wellbeing of your organization, as engagement can make or break how the workforce views its company. Yet despite the importance, just 20% of the workforce worldwide is engaged at work¹¹. If your organization is suffering from an engagement issue, data could help you get to the root of the issue and take steps to alleviate problems.

Using data, businesses can drive employee experience. Measurements can be taken from employee engagement surveys, giving you an idea of which processes should be streamlined and which changes can be actioned. Digging deeper, analytics allows you to spot trends across departments and teams to check engagement levels. And that's information you can use to make changes across your organization.

⁸ World Economic Forum. (Jun 2020). 'Diversity, Equity and Inclusion 4.0: A toolkit for leaders to accelerate social progress in the future of work'. [Available online.](#)

⁹ Fischhoff, M & Turner, L. (Jan 2021). 'How Diversity Increases Productivity'. Network for Business Sustainability. [Available online.](#)

¹⁰ Bourke, J. (Jan 2018). 'The diversity and inclusion revolution: Eight powerful truths'. Deloitte. [Available online.](#)

¹¹ Harter, J. (Jul 2021). 'U.S. Employee Engagement Holds Steady in First Half of 2021'. Gallup. [Available online.](#)

A Final Word

As people analytics become more important for organizations, so too does the need to understand how to effectively utilize data.

People analytics can help you to better understand your employees, make more informed decisions, and mitigate risk. Having access to informed and reliable data also means that you can play an active role in improving your culture and employee experience.

Discover how to make people analytics work for your organization. [Get in touch](#) to find out more.



About PeopleFluent

As a market leader in integrated talent management and learning solutions, PeopleFluent helps companies hire, develop, reward, and advance a skilled and motivated workforce. Deployed separately or as a suite, our software spans [recruitment](#), [talent mobility](#), [performance](#), [compensation](#), [succession](#), [org charting](#), and [learning](#)—tailored for either large or mid-enterprise organizations. We deliver unmatched functionality and flexibility, recognized by leading analysts, to develop people, drive performance and deliver results.

Our talent solutions unify talent processes within a collaborative experience that enables HR and L&D teams to guide managers and employees with contextual learning—right in the flow of work.

A part of [Learning Technologies Group plc \(LTG\)](#), PeopleFluent provides world-class service and an unparalleled ecosystem of partners to optimize employee experience, employer brand, and business results.

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