

# The Power HR Analytics

*Driving Data Based People Decisions*

Presented By: Sarah Johnson

# The voice on the phone belongs to this person



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# Now Serving...



Mercedes-Benz



## 4 Reasons Leaders are Scared of **HR Initiatives**

1. Leaders' skill set often focuses more on numbers, less on the work environment
2. They don't always see the significance of HR problems to organization success
3. It's hard to connect the HR ROI dots
4. Leaders want guidance, but not based on intuition



# So what exactly is HR Analytics?



1

Demonstrating a causal relationship between HR activities and business outcomes that result from this activity.

2

Applying analytic processes within HR for the purpose of improving employee performance

3

Applying analytic processes within HR for the purpose of improving *organization* performance

# According to a Deloitte study...

**77%**

*of Operations  
Departments utilize  
Data Analytics*

**58%**

*of Sales  
Departments utilize  
Data Analytics*

**14%**

*of Human Resources  
Departments utilize  
Data Analytics*

## Figure 1: Bersin by Deloitte Talent Analytics Maturity Model



Source: *Bersin by Deloitte, 2013.*

## Biggest Obstacles to Achieving Better Use Of Data, Metrics, and Analysis

What are the three biggest obstacles to achieving better use of data, metrics, and predictive analysis by HR and talent management professionals in your organization?

54%

Inaccurate, inconsistent, or hard-to-access data requiring too much manual manipulation

47%

Lack of analytic acumen or skills among HR professionals

44%

Lack of adequate investment in necessary HR /talent analytical systems

37%

Lack of perceived value of a data-driven culture; company does not have a data-driven culture

29%

Lack of support or expectations by C-suite executives

27%

HR does not know how to talk about HR data to relate it to business outcomes





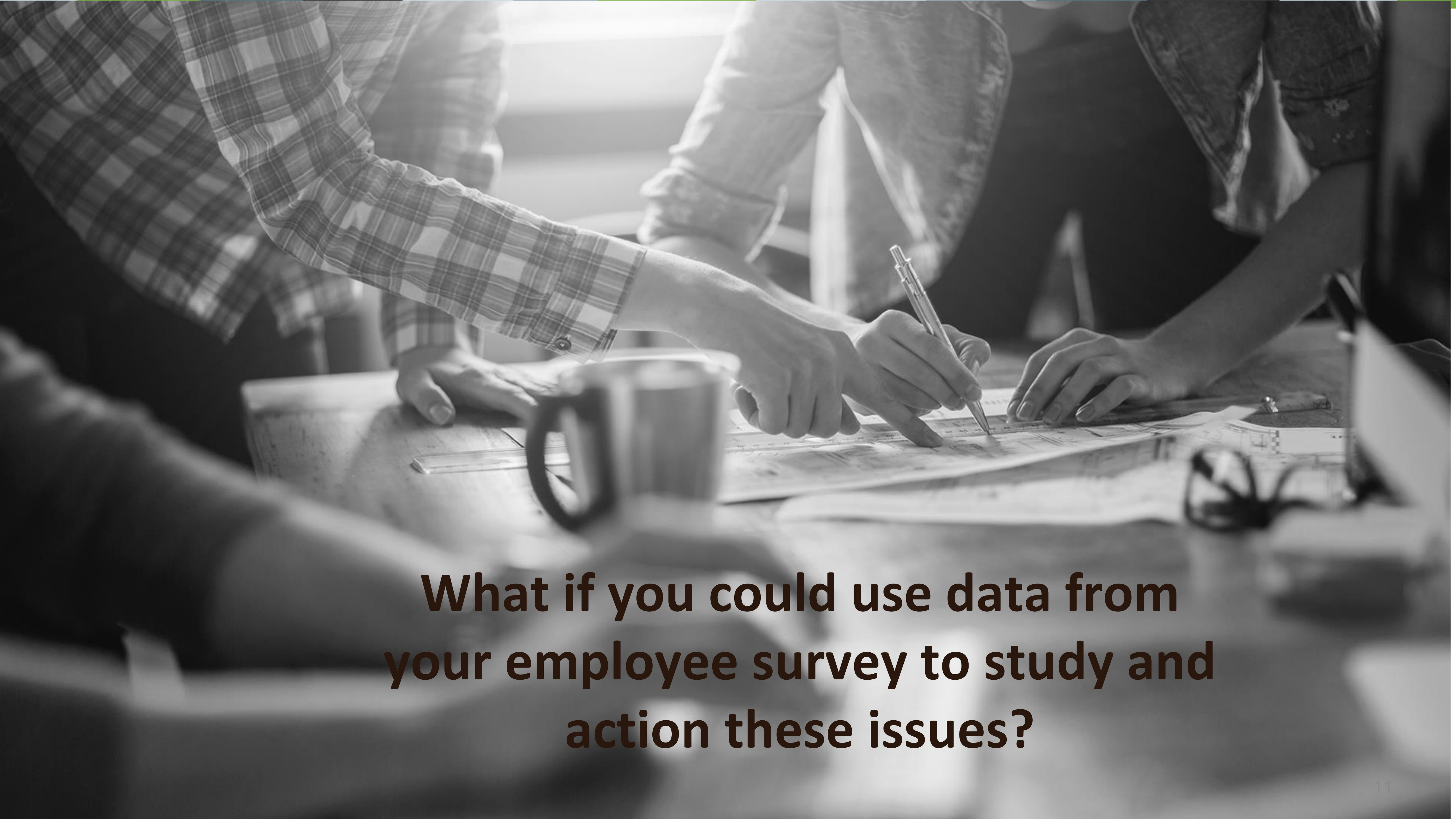
## 8 HR Analytics Every Manager Should Know About\*

- Capability Analysis
- Competency Acquisition Analytics
- Capacity Analytics
- Employee Churn Analytics
- Corporate Culture Analytics
- Recruitment Channel Analytics
- Leadership Analytics
- Employee Performance Analytics

**DON'T PANIC!!**

Start small and simple

You may be better prepared to use  
HR Analytics than you think you are



**What if you could use data from  
your employee survey to study and  
action these issues?**

# Leverage engagement (and other) data to improve performance

*HR needs to make more data-based decisions about people and use data more wisely to make recommendations*

- Survey Data can be analyzed to evaluate:
  - ✓ Attrition
  - ✓ Absenteeism
  - ✓ Revenue
  - ✓ Customer Loyalty
  - ✓ Safety
  - ✓ Performance



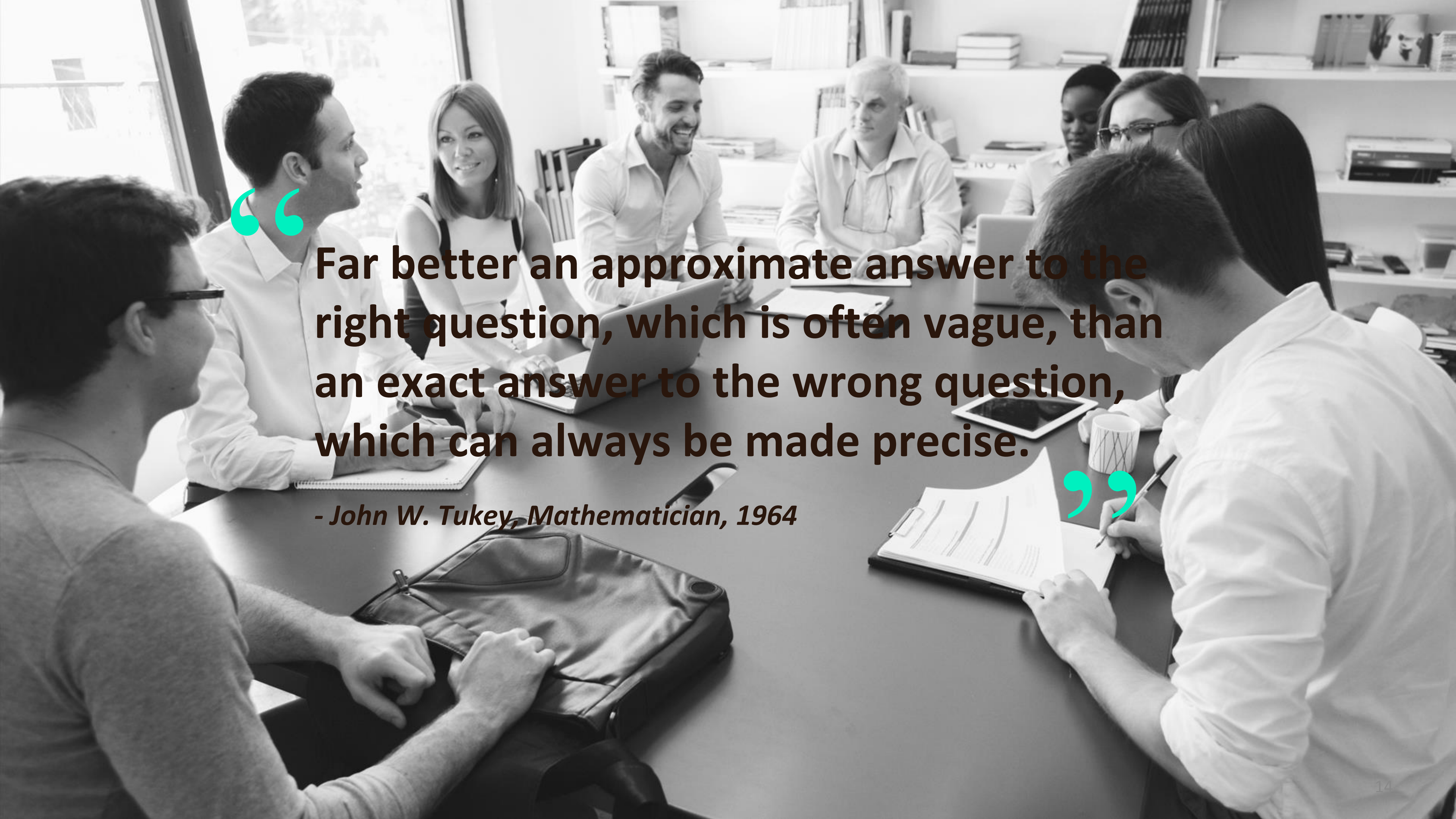


# Transforming an Employee Engagement Survey into an HR Analytics Program

## STEP 1: Create an HR Analytics Agenda

- Start with the business problem
- Outside-in approach

Thomas Rasmussen and Dave Ulrich; HR Analytics: It's not a fad, it's the future. University of Michigan, Ross School of Business



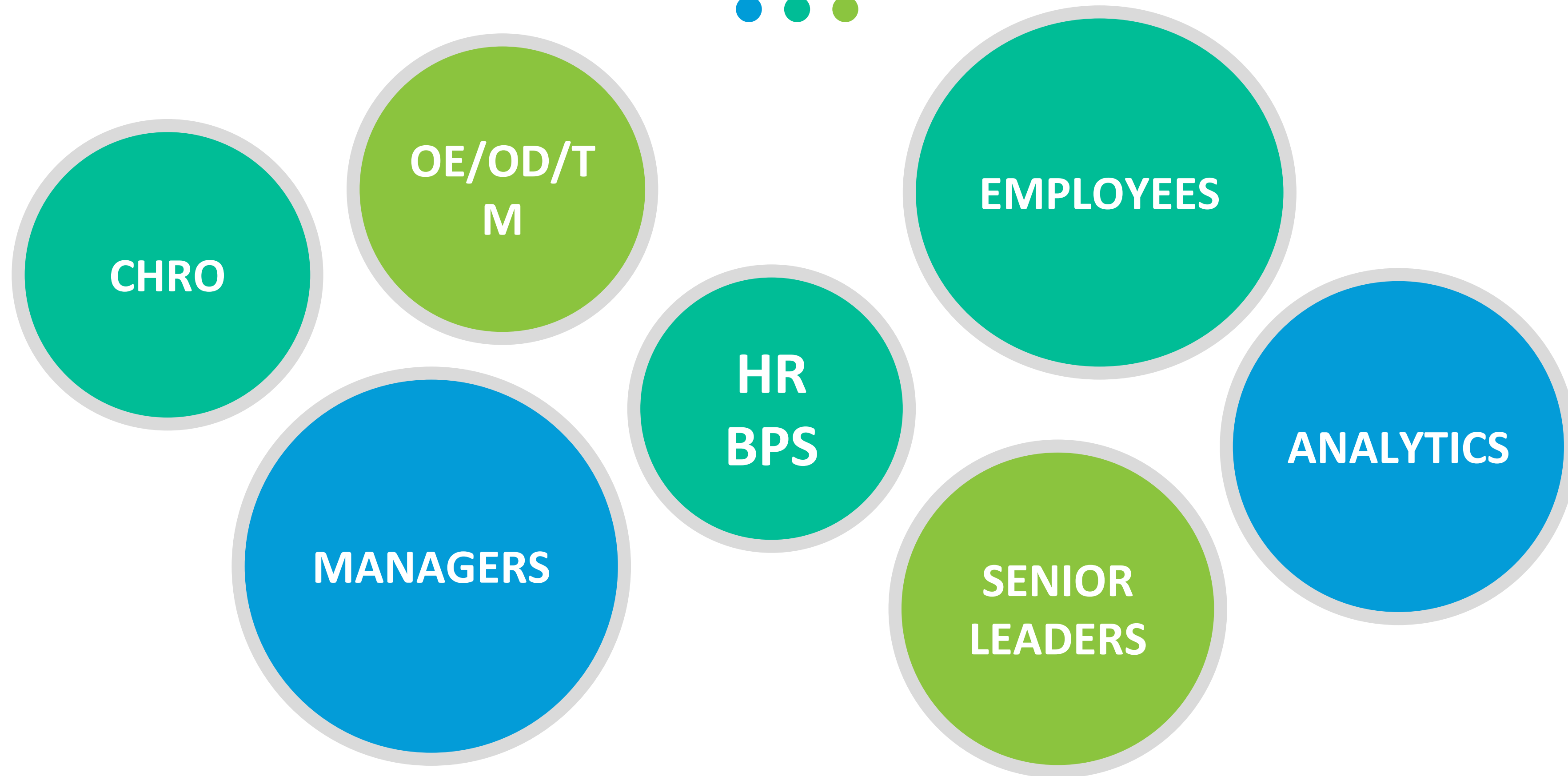
“

**Far better an approximate answer to the right question, which is often vague, than an exact answer to the wrong question, which can always be made precise.**

”

*- John W. Tukey, Mathematician, 1964*

# What's in it for me?



## Workforce Concerns

From the list below, select the top three most important concerns your company has about its workforce today.



*Recruiting  
Retention  
Development  
Diversity  
Leadership  
Costs*



# Transforming an Employee Engagement Survey into an HR Analytics Program

## STEP 2: Rethink the content of the survey

The survey is the engine of your analytics strategy:

- *Culture*
- *Strategy*
- *Business Performance*
- *Efficiency/Effectiveness*
- *Organization Capabilities*
- *Leadership Competencies*
- *Values*



# Transforming an Employee Engagement Survey into an HR Analytics Program

## STEP 3: Merge with other data

Performance data...customer data...onboarding/exit results...demographics/HRIS data



# Transforming an Employee Engagement Survey into an HR Analytics Program

**STEP 4:** Collaborate with other analytics teams

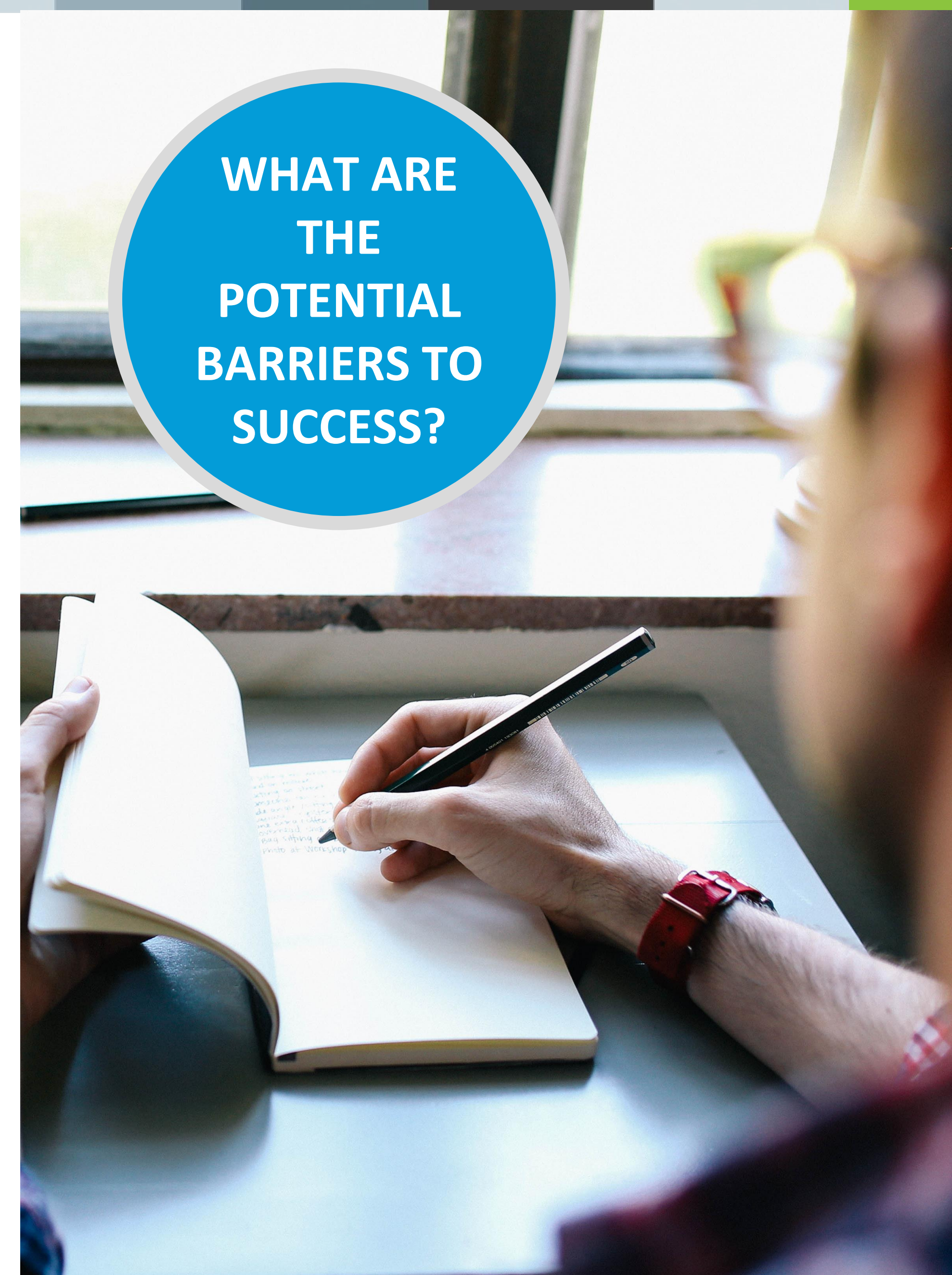
Take a pan-organizational approach to analytics

# Case Study 1:

## Are we equipped to successfully implement our strategic plan?



WHAT ARE  
THE  
POTENTIAL  
BARRIERS TO  
SUCCESS?



# What we did...



Identified 2 Key Themes in the Plan:	Continuous Improvement Innovation
Analyzed Data for Relevant Survey Questions	Demographics, Drivers, High Performing/Low Performing Groups
What popped out?	<b>TRUST!!</b>

## What did we learn?

1. Perceptions of innovation varied across the organization
2. Innovation didn't get high marks, and there was room for improvement
3. Specific manager behaviors have a significant influence on the environment
4. To foster trust, managers need to show consistency, communicate clearly and demonstrate care

## Why did it matter?

1. The strategic plan would fail without innovation
2. Trust in management was essential to continuous improvement and innovation

## What did the client do?

1. Leadership communication strategy was rejigged to incorporate the findings
2. Manager training and other L&D programs were modified per the findings



**CASE STUDY 2:**  
**Why are top performers leaving the company?**

Is it true that “employees join organizations and leave managers”?

# Actual attrition data was integrated with survey results 6 months post-survey

*Largest Gaps in Scores from Employees Staying  
with the Company Survey Categories*

Regretted Attrition	Non-regretted attrition
<ol style="list-style-type: none"><li>1. Engagement</li><li>2. Commitment</li><li>3. Achievement</li><li>4. Innovation</li><li>5. Execution</li></ol>	<ol style="list-style-type: none"><li>1. Innovation</li><li>2. Engagement</li><li>3. Immediate Manager</li><li>4. Achievement</li><li>5. Recognition</li></ol>



# Question level results told the story

## *Largest Negative Gaps in Scores from Employees Staying with the Company*

Regretted Attrition	Non-regretted attrition
<ul style="list-style-type: none"><li>Career goals can be met</li><li>Sense of accomplishment</li><li>Positives of working here make effort worth it</li><li>Time spent on work that challenges me</li><li>Encouraged to find new &amp; better ways</li><li>Involved in decisions</li><li>Like the work I do</li><li>Have tools &amp; resources to do my job</li><li>My opinion is valued</li></ul>	<ul style="list-style-type: none"><li>Manager values my opinion</li><li>Manager recognizes good work</li><li>Manager follows through</li><li>Manager is right a lot</li><li>Manager seeks out diversity of thought</li><li>Manager inspires high performance</li><li>Manager helps me adjust work plans</li><li>Manager coaches me on my career</li></ul>

# Advanced analytics topics

- High tech companies now know why top engineers quit and how to build compensation and work environments to get people to stay.
- Financial services companies are now analyzing why certain people commit fraud and what environmental or hiring issues might contribute to such violations.
- Product companies are now analyzing the demographic, educational, and experiential factors that correlate with high performing sales people and why top sales people quit.
- Health care companies are looking at why certain hospitals or departments have higher infection rates and what people issues are behind these problems.
- Manufacturers and product companies are looking at the patterns of email traffic and communications to understand how high performing managers behave and what work styles result in the highest levels of performance.

# Leverage engagement (and other) data to improve performance

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# Going from Engagement Surveys to Analytics Engines

Content is key...what matters most to the organization?  
HRIS linkage to survey data

Basic Analytics

Pull in organization performance data

ROI

Combine with other data sources

Lifecycle

## **OPEN MIC TIME!**

What questions do you have about surveys and engagement and...??

# Thank you!



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*Read my blog! [www.perceptyx.com/blog](http://www.perceptyx.com/blog)*