FOUR WAYS TO IMPROVE MEASUREMENT AND PEOPLE ANALYTICS

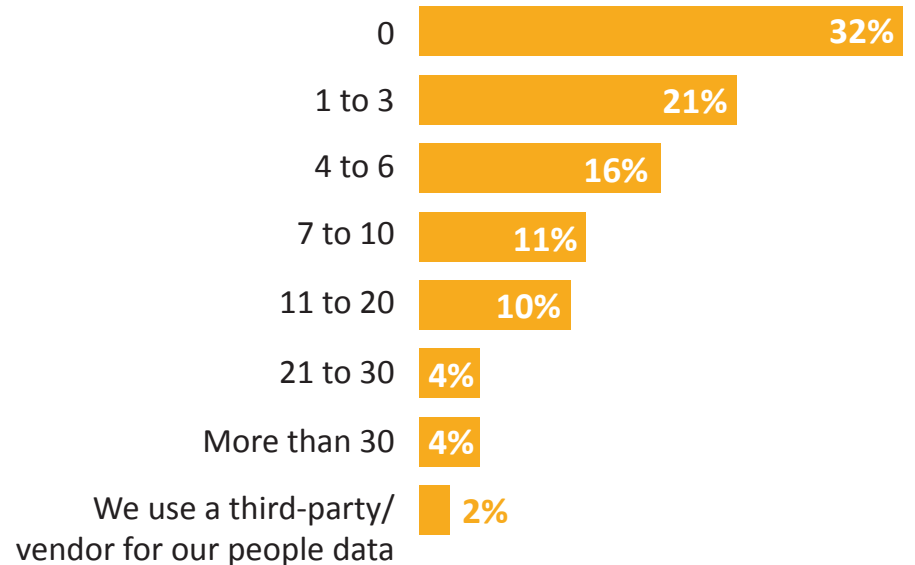Research Brief

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Interest in people data and HR analytics remains high. Organizations are eager to leverage it, but does the use of people data impact the bottom line?

Brandon Hall Group's latest Workforce Management Measurement and Analytics Study shows that 75% of companies have at least four people working full-time on people data and one in three have more than 30 working in that capacity.

Despite the interest and dedicated resources, many companies still struggle with effective analytics; nearly three in four (72%) report their use is confined to functional or tactical measures and do not take full advantage of more robust analytical applications.

Number of Current Employees Working at Least Partly with People Data

Category	Percentage
0	32%
1 to 3	21%
4 to 6	16%
7 to 10	11%
11 to 20	10%
21 to 30	4%
More than 30	4%
We use a third-party/ vendor for our people data	2%

Source: 2018 Brandon Hall Group Workforce Management Measurement and Analytics Study (N=247)

Key Findings

45% **NEARLY HALF OF COMPANIES**

say they are at the tactical level for measurement and analytics.

75% **OF ORGANIZATIONS**

have a minimum of four people at least partly working with employee data.

64% **RATING EMPLOYEES**

55% **WORKFORCE PLANNING**

are the most common decisions that depend heavily on workforce data.

65% **MEASURING INTERNAL MOVEMENT**

53% **TURNOVER**

are the most common ways organizations struggle with using data, rating themselves as "not at all" or "only somewhat" effective in those areas.

What will it take to improve your organization's analytical abilities? Our research reveals four areas for organizations to improve their analytical process.

1 **Analyze Your Needs to Prioritize Your Spending**

Levels of analytical ability were presented to survey-takers as the following:

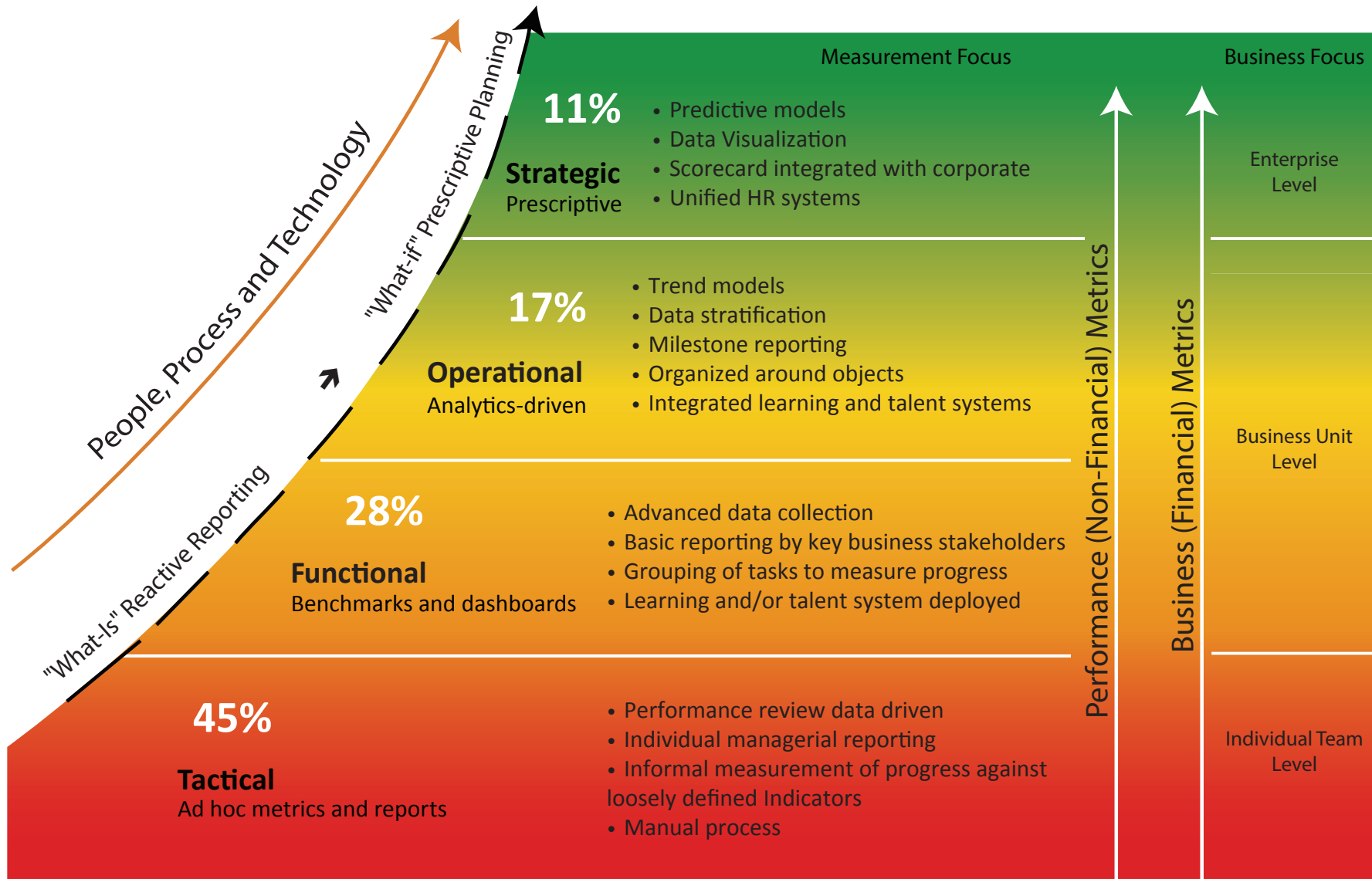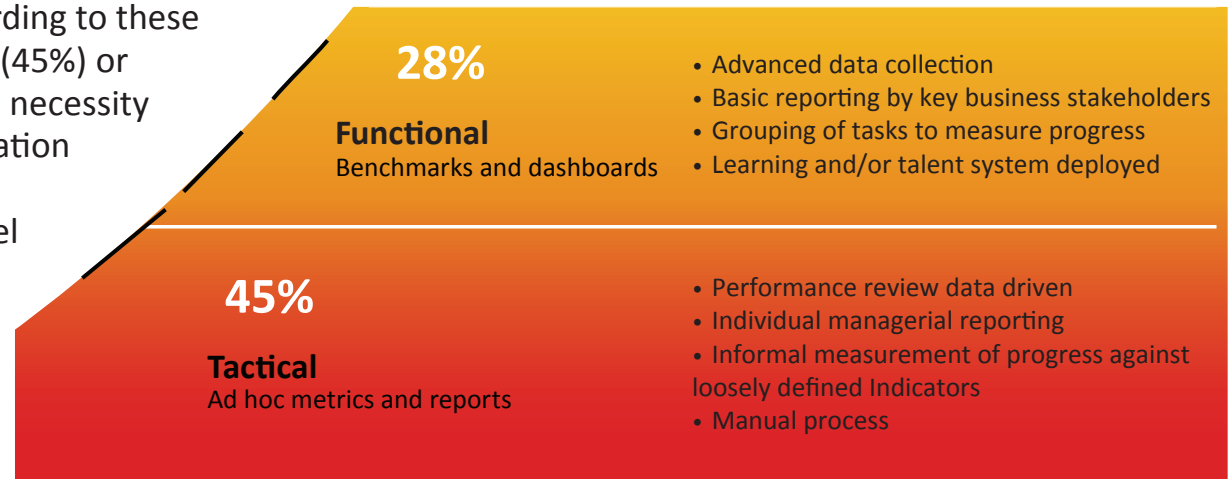| **Level 1 Tactical**	"We mostly rely on ad-hoc metrics and reports"
Level 2 Functional	"We regularly update benchmarks and dashboards, and share with all stake-holders"
Level 3 Operational	"We have integrated data and consider ourselves an analytics-driven company"
Level 4 Strategic	"We regularly utilize predictive analytics to inform prescriptive talent decisions and actions."

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Brandon Hall Group High-Performance Analytics Model

People, Process and Technology

"What-if" Prescriptive Planning

"What-Is" Reactive Reporting

Measurement Focus

Business Focus

11%
Strategic
Prescriptive
- Predictive models
- Data Visualization
- Scorecard integrated with corporate
- Unified HR systems

Enterprise Level

17%
Operational
Analytics-driven
- Trend models
- Data stratification
- Milestone reporting
- Organized around objects
- Integrated learning and talent systems

Business Unit Level

28%
Functional
Benchmarks and dashboards
- Advanced data collection
- Basic reporting by key business stakeholders
- Grouping of tasks to measure progress
- Learning and/or talent system deployed

45%
Tactical
Ad hoc metrics and reports
- Performance review data driven
- Individual managerial reporting
- Informal measurement of progress against loosely defined Indicators
- Manual process

Individual Team Level

Performance (Non-Financial) Metrics

Business (Financial) Metrics

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Those definitions are informed by Brandon Hall Group's High-Performance Measurement Model (previous page). By delineating levels, we see where organizations have deficits in their analytical abilities. In this case, it is the lack of access to regularly updated dashboards across the organization that prevents improving the functional level of analytics.

Of the companies that rated themselves according to these definitions, 73% said they were at the tactical (45%) or functional (28%) levels. Tactical analytics are a necessity for day-to-day operations and form the foundation of higher-level analytics. In some cases, organizations may be restricted to tactical-level analytics because they are limited by their capabilities, and only tackle problems they know they can handle. In other cases, those are the only types of analytical problems they need to solve.
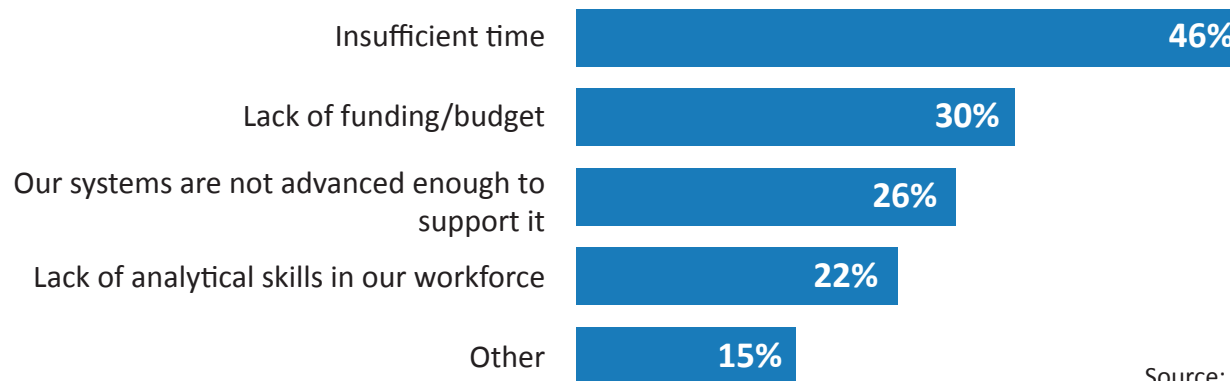
28%

Functional
Benchmarks and dashboards

- Advanced data collection
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45%

Tactical
Ad hoc metrics and reports

- Performance review data driven
- Individual managerial reporting
- Informal measurement of progress against loosely defined Indicators
- Manual process

If your organization can't create high-level predictive models or use big-data analytics to solve complex problems, you need not be left behind. You may not require those capabilities, just as some organizations function without a vehicle fleet, for example.

But if you understand how measurement analytics can address your business needs, you can develop and execute a plan to improve your analytical abilities accordingly. In some cases, this may mean improving breadth not depth (or vice versa). Your plan could have several layers and take months or even years to complete. Avoid the urge to move too quickly. Improve your ability deliberately and intelligently. Our measurement model can serve as a guide.

2   Dedicate More Resources

The top obstacle to becoming a more strategically-minded organization, according to our research, was insufficient time (46% listed this as their top obstacle), followed by a lack of funding/budget (30%).

Top Obstacles to Becoming and Analytics-Driven Organization

Obstacle	Percentage
Insufficient time	46%
Lack of funding/budget	30%
Our systems are not advanced enough to support it	26%
Lack of analytical skills in our workforce	22%
Other	15%

Source: 2018 Brandon Hall Group Workforce Management Study

Working with people data requires more than the latest software, statistical analyses or smart data visualization. To be successful with HCM data, the entire process — from data collection to change-management — must be planned, implemented and executed by experts in this field. While many organizations say they know the importance of human capital measurement and analytics, they won't invest in the people and time required to move to the next level.

3   **Improved Integration is Essential for Higher-Level Analytics**

The top obstacle to becoming a more strategically-minded organization, according to our research, was insufficient time (46% listed this as their top obstacle), followed by a lack of funding/budget (30%).
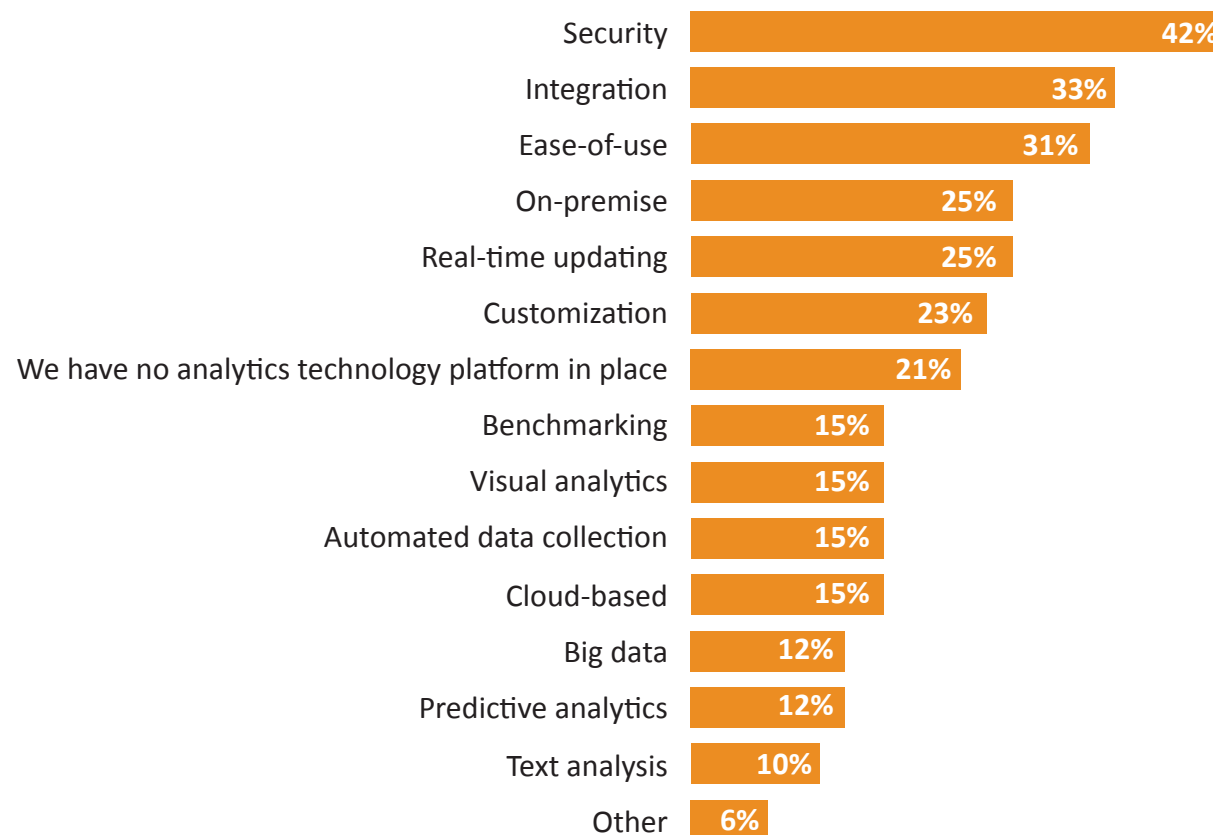
Some of the inability to analyze data at an operational or strategic level results from the limitations of the technology systems in use. When asked about the most effective features available to them under their current systems, only 33% of respondents listed integration. Though this was the second most-common effective feature after security, that number should be much higher.

Without integrated systems and access to external data, analytics can never get very far off the ground. Think of it as an alignment issue: your internal data must be aligned, which requires systems that "talk" to one another to create a single source of data. That data must then align with the data of the outside world so you know where you stand competitively. Reliability is key here: you must be able to count on getting the same, accurate data throughout the company.

Workforce Management Measurement and Anlytics

Feature	Percentage
Security	42%
Integration	33%
Ease-of-use	31%
On-premise	25%
Real-time updating	25%
Customization	23%
We have no analytics technology platform in place	21%
Benchmarking	15%
Visual analytics	15%
Automated data collection	15%
Cloud-based	15%
Big data	12%
Predictive analytics	12%
Text analysis	10%
Other	6%

Source: 2018 Brandon Hall Group Workforce Management Study

4 **Formalized Data Governance is the Final Piece of the Puzzle**

When asked about the biggest obstacles in becoming a more analytically driven organization:

insufficient time

lack of funding/budget

26% our systems are not advanced enough to support it

Governance for HR data lags behind many other departmental functions and the lack of attention given to people data now comes back to haunt practitioners. Working with people data requires more than statistical analysis or smart data visualization. To truly be successful with HCM data, the entire process — from data collection to change management — must be planned, implemented, and executed by experts.

Key Takeaways

- **There's no secret to successful HCM measurement and analytics**. Companies that succeed with analytics tend to be those that succeed overall. Simply making a decision to get better at analytics will not cause a company to change. Evaluation, planning and execution must occur.

- **Understand where you are and where you want to be.** Look inward to determine what questions you want answered and where the critical gaps are between what you have now and what you need for the future.

- **Invest wisely.** It takes people, processes, technology and time to succeed with measurement and analytics. Determine priorities and allocate resources accordingly.

- **Data Governance is critical.** Common definitions must be established (a data council is highly recommended) and standards must be kept and maintained for people data entry, storage and retrieval.

- **Embrace change.** There will be an increasing reliance on people data for decision-making this year and the pace and rate of adoption of new data will continue to grow. Human resources professionals, having accepted the inevitability of the people data revolution, must now lead their organizations further in this direction.
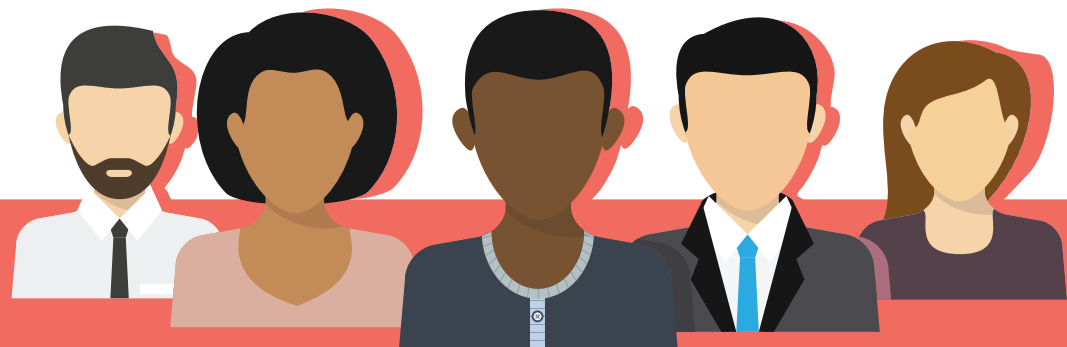
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Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management.

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