

The Executive's Guide to People Insights

HR analytics is the process of gathering and analyzing data regarding human capital, then using those insights to make data-driven people decisions. This e-book will cover what leaders need to know.



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Introduction

Deloitte's 2017 Global Human Capital Trends report found that 71% of companies rate people analytics as a high priority in their organizations. But what's driving this trend toward people analytics? And, on a broader scale, what exactly is HR analytics?

Human resource analytics is the process of gathering and analyzing data regarding human capital, then using those insights to make data-driven people decisions.

The goal is to improve employee performance, attract and retain higher-quality talent, improve processes, and boost HR's impact on business outcomes. If leveraged correctly, analytics enables human resources to be a vital partner in the organization's business, thereby delivering a higher ROI for HR initiatives.

Common data points used by HR analysts include employee databases, performance reviews and feedback, salary and

work history, attendance records, surveys, and demographic data. Once this information is processed, analytics tools produce reports and data visualizations that can inform decision-making.

People analytics and talent analytics are sometimes used interchangeably, but they really fall under the umbrella of HR analytics, with a more specific focus on an organization's people and their behavior.

People analytics is a relatively new field — it's easy to get caught up in a shiny dashboard, a wealth of information, and catchphrases like machine learning and natural language processing. But to get the most out of analytics, you'll want to focus on what's actionable. Let's get started.

The Top 4 Trends in People Insights

Analytics tools provide the opportunity for organizations to dive deeper into data than ever before.

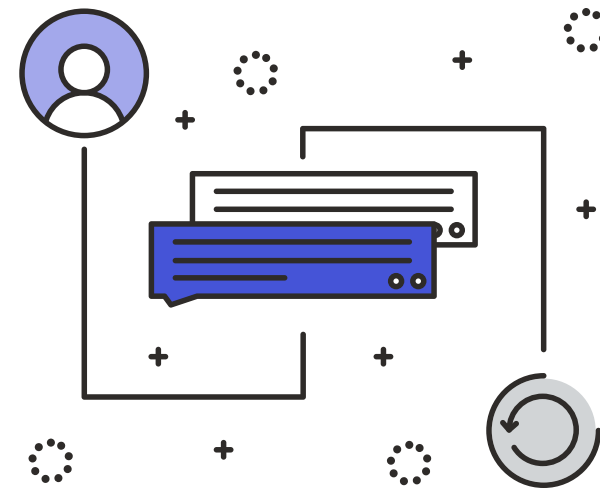
But HR analytics is relatively new territory for many companies, some of whom may be wondering whether the benefits are worth the cost. To gain a better understanding of the present state of HR data analytics, let's examine some trends.

1. There's a Learning Curve

The purpose of HR analytics is to transform data into actionable insights, but that also presents a challenge. In fact, Deloitte's Global Human Capital Trends [study](#) found that only 8% of organizations surveyed report that they have usable data and only 9% have a good understanding of which talent dimensions actually drive performance.

While those numbers may be daunting, they simply highlight the need for organizations to find the right

analytics platform. Tools should be intuitive and user-friendly—they shouldn't require extensive training or a data science team to conduct analysis. The quicker leaders can obtain usable data and take action, the quicker that analytics software can deliver a return on investment.



2. The Time is Now for Continuous Performance Management

Your people are your most valuable resource, and real-time performance management can help you unlock their true value. Ongoing coaching, peer-to-peer feedback, goal management, engagement surveys, and consistent check-ins can all boost performance, whether or not your company decides to do away with annual reviews or employee ratings.

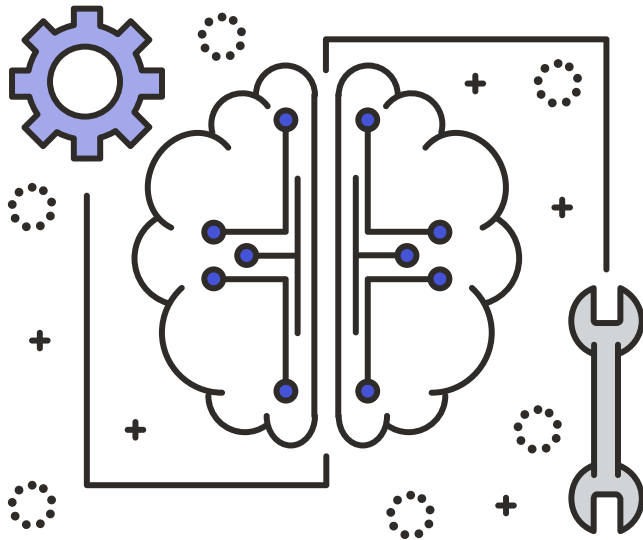
People analytics is one more piece in the performance management pie. You can get a quick snapshot of engagement scores, track employee engagement by office location, see how employees stack up against their peers, and more. This information can help leaders identify top performers, as well as those who may need additional coaching and training.

Employees provide data from the moment of first contact during recruitment through the time they leave a company. Harnessing this data will help HR become a cost-effective, innovative partner within the organization.



3. HR Still Requires a Human Touch

Machine learning and artificial intelligence are becoming more popular every day, but they can never truly replace the human interactions between HR professionals and employees/prospective hires. While analytics can identify the strongest candidates for interviews, it's ultimately up to the humans in human resources to decide whether someone is the right culture fit.



4. Analytics Aren't Going Anywhere

A global IBM study found that 71% of CEOs identified human capital as a key competitive advantage. And in a 2017 Harvard Business Review survey of executives, 15% said they use “predictive analysis based on HR data and data from other sources within or outside the organization.” But that number is expected to jump to 48% in the next two years.

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The time is now to integrate analytics into HR processes. The longer companies wait, the more they risk losing their competitive advantage.

Next, let's look at the most actionable takeaways businesses can use people insights for today.

Applications for People Insights

Deloitte found that recruiting is the number one area where HR analytics is being applied, followed by performance measurement, compensation, workforce planning, and retention.

Let's look at analytics in recruiting. The objective obviously is to find and hire the best talent. The data-gathering should start within your company—by examining the attributes of your current strongest employees. Identifying trends and common traits can help recruiters focus their search for new talent. Maybe the data leads them to certain colleges or cities. Or it could highlight the websites that furnish the highest percentage of quality candidates or help recruiters craft messaging that will reach the desired candidates. Using this data, recruiters can ideally deliver a higher ROI for each new hire.

If an organization wants to increase employee retention, HR analysts could look at churn rates, turnover within each department, attributes of longer-tenured employees against those who left the organization within 1-2 years, and the onboarding process for different employee groups.

The data could help HR leaders pinpoint why employees are leaving and provide actionable steps to keep those people in-house. Maybe the problem is a manager, maybe the new onboarding process isn't effective, or maybe the commute is too long for employees who live beyond a certain distance.

HR analytics is a relatively new field that will continue to evolve in the years to come. But the sooner an organization can integrate analytics tools into their HR processes, the sooner they'll have a leg up on the competition.

Contact Reflektive Today

Looking for one intuitive, customizable place for all of your people data? Reflektive is ready to help get you started.

[Contact Reflektive](#)

About Reflektive

Reflektive is a leader in providing innovative, real-time performance management solutions for HR leaders and their agile organizations. Founded in 2014, Reflektive securely delivers Real-Time Feedback and Requests, Goal Management, Performance Reviews, and Check-Ins applications in the cloud for more than 400 clients worldwide, including AAR, Blue Origin, Comcast, Dollar Shave Club, Healthgrades, Instacart, Wavemaker Global, and Protective Life. Based in San Francisco, Reflektive secured funding from Andreessen Horowitz, Lightspeed Venture Partners, and TPG Growth, and was recognized in Gartner's 2017 Cool Vendors in Human Capital Management report. Reflektive's mission is to reinvent people management processes to empower employees to thrive at work.

For more information, visit reflektive.com