

## How To Transform People Analytics Into Business Results

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The use of workforce analytics is transforming the human resource strategy. A 2018 Economist Intelligence Unit survey found that 82% of organizations plan to either begin or increase their use of “big data” in HR over the next three years. CEOs are recognizing the importance of talent-related data in managing recruitment, retention, turnover etc.

Increasingly, workforce analytics is seen as a critical tool to shape future business strategies. The HR function is adapting to a data-driven world, leading to the establishment of specialist teams and the recruitment of data-oriented personnel. A 2015 Deloitte survey of business leaders found that many executives had some doubts about the HR function’s ability to perform analytical projects, such as conducting multi-year workforce planning or using HR data to predict workforce performance and improvement.

HR analytics enables HR professionals to make data-driven decisions to attract, manage, and retain employees, which improves ROI. It helps leaders make decisions to create better work environments and maximize employee productivity. It has a major impact on the bottom-line when used effectively.

HR leaders must align HR data and initiatives to the organization’s strategic goals. For example, a company may want to improve collaboration across departments to increase the number of innovative ideas built into their software. HR initiatives like shared workspaces, company events, collaborative tools, and employee challenges can be implemented to achieve this goal. To determine how successful initiatives are, HR analytics can be utilized to examine correlations between initiatives and strategic goals.

Once data is gathered, HR analysts feed workforce data into data models, algorithms, and tools to gain actionable insights. These tools provide insights in the form of dashboards, visualizations, and reports. An ongoing process should be put in place to ensure continued improvement.

### **Challenge of Working With Data**

Even though an in-depth knowledge of programming languages and statistics is not necessary, there is still a learning curve for data-aspiring Human Resources Business Partners. The challenge appears to be two-pronged: technical and strategic.

On the one hand, aspiring Human Resources Business Partners have not finished the transformation to become more comfortable with metrics and data. While demands for this type of analysis and information are entering the mainstream, nonetheless, these demands represent a recent change for the human resources function.

The other challenge has less to do with numbers and more to do with understanding the business. A research conducted by [Lexy Martin](#) highlighted that less than 25% of their HRBPs understood the businesses they support. Instead of providing strategic insight, many HRBPs still operate more as administrative aides to the business and prefer to handle employee relations problems.

## Connect to the Business

HR leaders know the importance of understanding the business. Oftentimes, not getting that aligned with the data will send you off into a discussion that is not important. Asking the powerful right question is at the heart of being a great business partner, and working with data is no different. How does diversity impact hiring? How does hiring impact our business? Data on people goes from interesting to business-critical when you can connect people's decisions to business outcomes.

## Measure What Matters

When it comes to being data-driven, start by finding something specific (such as turnover) that you care about. Dig deep enough to become an expert on the topic by gaining an understanding of how the data changes over time, by tenure, for high or low performers. What patterns can you discover in the data?

## What are the Benefits of HR Analytics?

**Leaders of organizations can only derive the full benefits of workforce analytics if they believe in its potential. To establish and maintain the necessary commitment, they first have to believe that their company's HR assets (i.e., the value of its workforce) are a vital contributor to organizational performance. Second, they must believe that such assets have definable, quantitative value and that HR assets can be measured and managed in the same way that the finance function tracks return on investment (ROI).**

In sum, HR analytics will move from an operational partner to a more strategic center of excellence. Companies are now realizing company success is built on people, and HR analytics can light the way from intangible theory-based decisions to real ROI through the following:

- Better hiring practices
- Decreased retention
- Task automation
- Process improvement
- Improved employee experience

- More productive workforce
- Improved workforce planning through informed talent development

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