THE BENEFITS OF PEOPLE ANALYTICS AND DATA DRIVEN DECISIONS

The Benefits of People Analytics and Data Driven Decisions

Introduction

People analytics provides businesses data to better understand and improve various aspects of their workforce. HR can harness the power of people analytics and their HCM system to make data-driven decisions that drive organizational success and create value for employees and stakeholders. Throughout this whitepaper we will go through the pillars of people analytics and how to use your HCM system to get the best analytics. We will also look at the importance of these analytics and how they can provide data driven decisions.
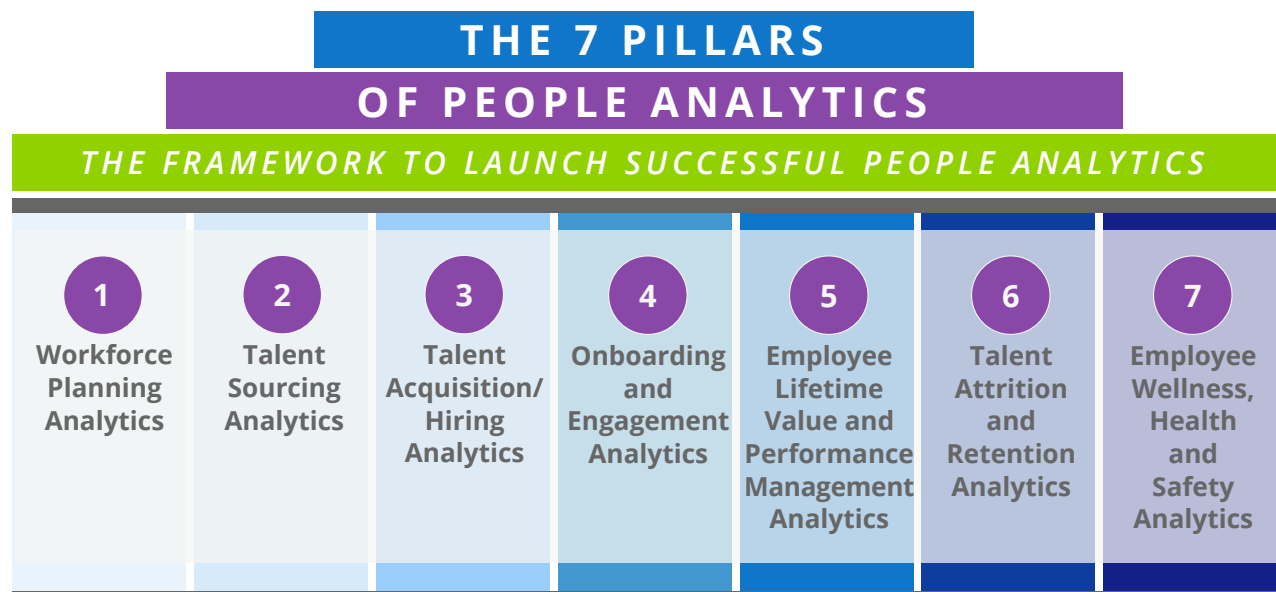
What are People Analytics?

People analytics uses data to understand how employees work and feel, like solving a puzzle about people at work. It helps companies make decisions to make employees happier and improve the company's success. When employees are happy and work well, companies thrive. According to Visier, people analytics is the practice of gathering information about employees and converting it into useful information that can help enhance business operations[1]. People analytics are like a hidden tool that ensures everyone is happy and doing their best for the company's success. Sixty-one percent of HR professionals believe that providing useful people data and analytics is the key goal of their HR tech stack[2].

The Pillars of People Analytics

The pillars of people analytics are similar to the sturdy foundation of a building, providing essential support for understanding and optimizing workforce management. They consist of key areas that businesses focus on to ensure they have the right people in the right roles, engaged and performing at their best. The pillars of people analytics have been described in a variety of ways over the years, but the main formations have stayed the same[3]. Together, these pillars form the backbone of people analytics, guiding businesses in making informed decisions to create a strong and successful workforce.

1. *Workforce Planning -* Helps organizations anticipate and address workforce challenges and align their talent strategies with business objectives.

2. *Talent Sourcing -* Focuses on identifying, attracting, and engaging top talent to meet organizational needs.

3. *Hiring & Development -* Helps optimize the recruitment process and facilitates employee growth.

4. *Onboarding & Engagement -* Focuses on optimizing the onboarding process for new hires, measures and improves employee engagements.

5. *Performance Management -* Helps measure, analyze, and improve employee performance effectively.

6. *Employee Retention -* Focuses on understanding the factors influencing employee turnover and developing strategies to retain top talent.

7. *Employee Wellness -* Helps measure and improve employee well-being and overall health of the organization.

THE 7 PILLARS OF PEOPLE ANALYTICS

THE FRAMEWORK TO LAUNCH SUCCESSFUL PEOPLE ANALYTICS

1	2	3	4	5	6	7
Workforce Planning Analytics	Talent Sourcing Analytics	Talent Acquisition/ Hiring Analytics	Onboarding and Engagement Analytics	Employee Lifetime Value and Performance Management Analytics	Talent Attrition and Retention Analytics	Employee Wellness, Health and Safety Analytics

How can you use your HCM system to get the best people analytics?

✓ Capture Relevant Data

Use your company's HCM system to input valuable information. Enter and keep up-to-date details about things like employees' backgrounds, what jobs they do, how well they are doing, who got hired, what training they did, and how engaged they are. Make sure you are consistent and accurate when you enter data so that later, you can trust the info you get from analyzing it.

✓ Explore Reporting Tools

Next, explore the reporting tools available in the HCM system. These tools allow you to generate various reports and dashboards that provide insights into various aspects of your organization's workforce. Start by running basic reports, such as headcount trends, turnover rates, and performance ratings. As you become more familiar with the reporting capabilities, you can delve into more advanced analytics, such as predicting future staffing needs or identifying areas for skills development.

PDS Perspective Vista Reporting

Vista users are equipped with a range of versatile reporting features for both standard and custom reports, adaptable to changing requirements. Leveraging Vista's standard reports, which utilize various database views, users can ensure data security and confidentiality by restricting access based on individual authorization levels. Users can effortlessly tailor new reports to their specific needs and preferences, even reusing parameters to streamline data exploration. Customizing report outputs is a breeze with options to choose format, layout, or delivery method, making it easy to access the information you need, how and when you need it.
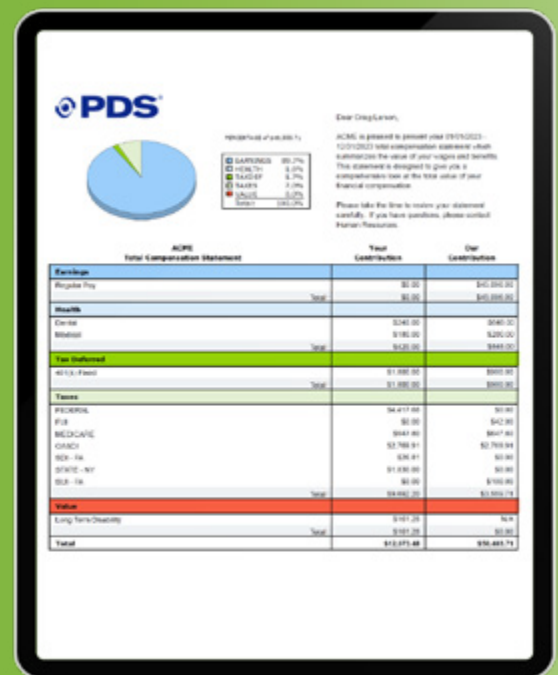
✅ Analyze Trends and Patterns

Once you have access to the data and reports, start analyzing trends and patterns. Look for correlations between different variables, such as employee engagement and retention rates, or training participation and performance improvement. Identify areas of strength and areas for improvement within your organization's workforce. Pay attention to any outliers or anomalies that may require further investigation.

✅ Act and Repeat

Finally, use the insights gained from your people analytics to inform decision-making and drive positive change within your organization. For example, if you notice a high turnover rate among a certain demographic group, consider implementing targeted retention initiatives. If you identify a skills gap in a particular department, develop training programs to address those gaps. Continuously monitor the impact of your actions and repeat as needed to ensure continuous improvement.

HR can communicate findings and insights to key stakeholders within the organization, including senior leadership, managers, and frontline employees. They can also present data in a clear and compelling manner, using visualizations and narratives to tell a story and facilitate understanding, and engage stakeholders in discussions around data-driven decision-making and encourage buy-in and collaboration.

Why are people analytics important to a business?

Companies are turning to people analytics to gain valuable insights into their workforce. Here are some benefits for companies trying to stay ahead of the curve:

Optimizing Hiring Processes: By analyzing data on successful hires and their characteristics, companies can improve their recruitment strategies and make more informed decisions about who to hire.

Enhancing Employee Engagement and Retention: People analytics help businesses understand what factors contribute to employee engagement and satisfaction. By identifying patterns in employee behavior and sentiment, companies can take proactive measures to improve workplace culture, reduce turnover, and retain top talent.

Improving Performance and Productivity: Analyzing data on employee performance can highlight areas for improvement and help managers provide targeted support and resources to their teams. This can lead to increased productivity and better overall performance.

Informing Learning and Development Initiatives: By tracking employee training and development data, businesses can identify skills gaps and provide relevant learning opportunities to employees. This ensures that employees have the necessary skills to excel in their roles and contribute to the company's success.

Supporting Strategic Decision-Making: People analytics provide valuable insights into workforce trends, demographics, and behaviors, which can inform strategic decision-making at all levels of the organization. From resource allocation to succession planning, data-driven insights help businesses stay agile and competitive in a rapidly changing market.

Identifying High-Potential Talent: People analytics can help identify employees with high potential for growth and leadership roles within the organization. By analyzing factors such as performance, skills development, and career progression, businesses can proactively identify and nurture talent, ensuring a pipeline of capable leaders for the future.

Promoting Diversity and Inclusion: People analytics can play a crucial role in promoting diversity and inclusion within the workplace. By tracking metrics related to diversity, such as representation across different demographics and inclusion in decision-making processes, businesses can identify areas for improvement and implement strategies to create a more inclusive work environment. This not only fosters a sense of belonging among employees but also enhances innovation and creativity.

Mitigating Risks and Compliance Concerns: People analytics can help businesses identify and mitigate risks related to employee behavior, compliance with regulations, and ethical standards. By analyzing data on employee conduct, such as adherence to company policies, training completion rates, and disciplinary actions, businesses can identify potential areas of concern and take proactive measures to address them, reducing legal and reputational risks.

Making data-driven decisions with good people analytics is like using a recipe to cook a delicious meal or using clues to solve a puzzle. Identifying the data and how you gather it is a big step in the process. Once you have that information and can analyze the results, you will learn to notice trends and patterns in the data you collect that will help make informed decisions.

PDS Perspective **Vista Analytics**

The Vista Analytics component turns the data in Vista into useful information that helps you make better business decisions. It is like digging for gold in a mine – you uncover valuable insights that can guide your actions. With Vista, you can easily gather data from various parts of your business and present it in a way that makes sense. Instead of boring reports, Vista gives you colorful graphics and visuals that are easy to understand. You can summarize data or organize it in lists, and with just one click, you can dive deeper into the details. It is like having a map to guide you through the maze of information, helping you find what you need quickly and easily.

Conclusion

People analytics help HR professionals gain valuable insights into various aspects of their workforce, enabling them to make better decisions that create value for employees and management. Through tools like Reporting and Vista Analytics, businesses can transform raw data into actionable information, enabling them to uncover hidden insights and visualize data in meaningful ways. People analytics and data-driven decisions help businesses make smarter choices about their most valuable asset: their people.

About PDS

PDS is a leading developer of HCM solutions that offer complete all-in-one HR and Payroll management through leveraged technologies and world-class client support services in the US, Canada, and the Caribbean. PDS' Vista encompasses recruiting, onboarding, HR, full benefits management, cross border payroll capabilities, analytics, and more - fully designed with you in mind. PDS works to keep their community informed on all HCM-related issues that may affect the workplace. Contact their team of experts today and let them revolutionize the way you work.

Endnotes

1 https://www.visier.com/people-analytics/
2 https://www.hr.com/en/magazines/all_articles/the-state-of-todays-hr-tech stack-2022-23_l8mz9j51.html
3 People Analytics in the Era of Big Data, Isson J. P., Harriott J. S., 2016