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Actionable Insights • Accurate Decisions

Employee Engagement

Vision

Strategy

Behaviours

Motivation

Reward & recognition

Teamwork

Respect

Authentic leaders

Employee voice

Real-time people analytics: granular insights for better talent and business decisions

Abstract

Over the past decade, Human Resources (HR) has significantly enhanced its ability to make data-driven decisions leveraging deep, granular insights delivered by HR analytics. However, one of the biggest challenges most organizations face is the inability to correlate HR data with business outcomes as HR metrics are typically measured only at a basic level, that too in a siloed fashion. This results in a wide gap between what the C-suite wants and what HR delivers. However, things are poised to change with people analytics gaining more mileage.

In years past, one of HR's primary goals was to collect and keep track of employees' personal and professional information, such as payroll, health benefits and performance reviews. Now, the tide of technology has reached HR's shores and is carrying it into deeper waters where it can analyze data to play a more active role in the organization.

As the people analytics function undergoes a seismic shift, the gap is slowly narrowing. While organizations previously leveraged people analytics only to analyze employee retention and engagement, it is now going mainstream. Forward-looking companies are increasingly using it in a myriad ways across workforce planning and talent operations. In a 2018 survey conducted by Deloitte on Global Human Capital Trends, 84% of respondents viewed people analytics as important or very important, making it the second-highest ranked trend in terms of priority.

The paper discusses the limitations of the current HR analytics approach, how real-time people analytics helps overcome them, and the advantages companies can benefit from by implementing the new approach.

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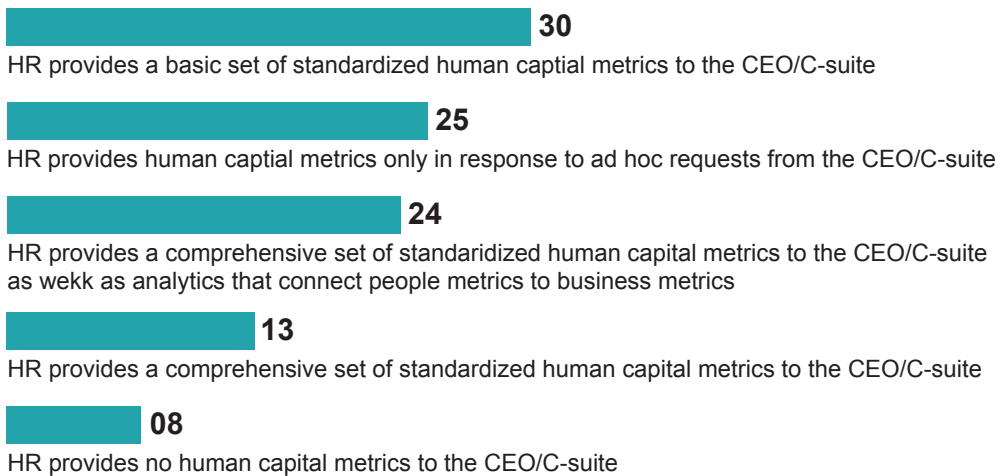
Challenges in tracking the metrics that matter to the C-suite

In a Harvard Business Review Analytic Services (HBR-AS) study, 67% of CEOs said that they get a basic set of human capital metrics from HR – but only 24% said HR also provides analytics that connect their people metrics to business metrics. Deloitte's 2017 Global Human Capital Trends survey concurs – only 8% of respondents say they have usable HR data. Further, the survey reveals only 15% of companies have broadly deployed HR and talent scorecards for line managers.

Figure 1

Human Capital Metrics are basic and Ad hoc

HR measures the workforce, but most organization do so at a basic level, or only when the CEO asks for metrics.

30
HR provides a basic set of standardized human captial metrics to the CEO/C-suite

25
HR provides human captial metrics only in response to ad hoc requests from the CEO/C-suite

24
HR provides a comprehensive set of standaridized human capital metrics to the CEO/C-suite as wekk as analytics that connect people metrics to business metrics

13
HR provides a comprehensive set of standardized human capital metrics to the CEO/C-suite

08
HR provides no human capital metrics to the CEO/C-suite

SOURCE : HARVARD BUSINESS REVIEW ANALYTICS SERVICES, APRIL 2017

Many business partners also attest to the fact that the HR function spends more time on operational issues and is often distracted from its core strategic mission. C-suite executives, on the other hand, need a granular view of metrics that matter – simply put, metrics that influence business as well as people issues such as productivity, employee engagement, diversity, gender pay equity and more The traditional approach to HR analytics often falls short of delivering on c-suite expectations due to several limitations such as:

#1. Lack of a 360-degree enterprise data view

Typically, each function within the organization collects data and reports insights, observations, trends, and results in silos. To create a cross-sectional view across different functions, users must depend on information from other departments, which can be challenging given the lack of coordination. The result: Any insights or reports created lack an enterprise-wide perspective due to the lack of a global view of data.

#2. Dependency on analytical capabilities/skills

The analytical output is highly dependent on the capability and skillsets of the people staffing the function. What is presented often differs from what is needed, either due to lack of knowledge or due to lack of understanding of the requirement. Often, the requirements flow top-down and information is lost between actual data collected and perceived insights, requiring multiple iterations to generate the final output.

#3. Push-based process

The above limitations further force the HR function to push information to the C-suite or HR leads. This approach has a major drawback - it makes insights-based actions a low priority item for the C-suite.

#4. Limitations related to customization

Each business user consumes reports differently. For instance, a C-suite executive would like to view a report at region/geographic or company level, while the line manager would like to see store level metrics or sub cuts in a report. However, creating a customized report is time consuming, defeating the whole purpose of generating reports and insights.

#5. Lack of self-service capabilities

Modern users demand greater control on the reporting process and easy access to enterprise data anytime, anywhere and on any device. The lack of appropriate architectures and technology to create a user-friendly, customizable dashboard hinders a user's self-service capability and increases dependence on IT.

#6. Legacy architectures and technology

Traditional ERP platforms offer static reporting architectures, and often, different functions run on separate platforms, creating huge data sets. Even when integrated, managing the huge data size is a critical challenge.

#7. Manual access controls

Customization and access control are a difficult combination to achieve in a traditional ERP solution. In most organizations, access to reports is still manual - where password-protected files or folder-level access controls enable access control. The chances of data loss or incorrect access to information are high in such a scenario.

#8. Lack of proactive forecasting and prediction

In traditional systems, the process of forecasting and predicting insights is manual and demand-based. Teams of experts usually build the forecasts and supply the insights using architectures like spread sheets.

Embracing a push-based advanced people analytics approach

> *The architecture also allows users to create their own insights with the drag and drop functionality, thereby supporting self-service or on-the-fly customization.*

Unlike the traditional approach, LatentView Analytics' proprietary enterprise architecture provides organizations to build tools that enables automatic consolidation of data from various internal systems into a single data warehouse for dynamic data refresh and real-time data access. The architecture also allows users to create their own insights with the drag and drop functionality, thereby supporting self-service or on-the-fly customization. The three key components of the architecture include:
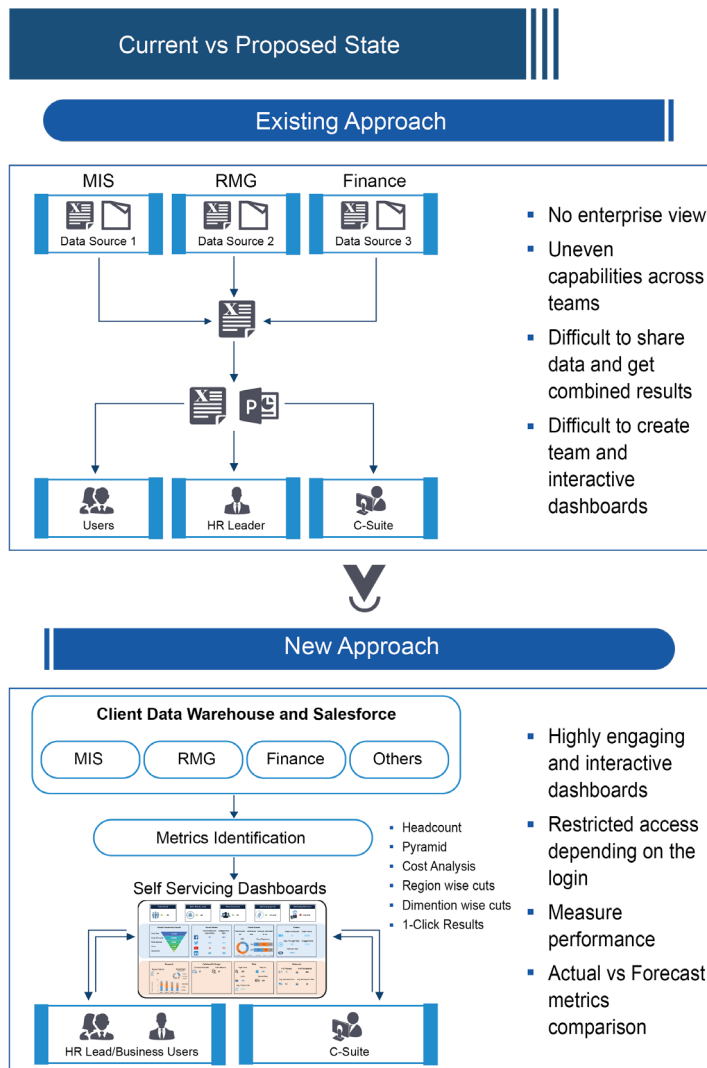
Existing vs. New Approach to People Analytics

#1. Dynamic data consolidation layer

Our enterprise architecture with clearly defined data engineering layer allows direct access to databases and an ETL process to consolidate data the right way, across different functions. Data consolidation, in turn ensures easier, faster and efficient way of accessing information

#2. Data visualization layer

The enterprise architecture can be configured to use any in-memory, self-service tools for faster consumption and customization of data by end users.

#3. Advanced analytics layer

Since data is available at the enterprise level, applying advanced analytics is simpler. Using AI and ML, one can forecast multiple variables, perform predictive analytics like attrition, and even apply text analytics on thick data. The advanced analytics layer supports three major capabilities:

- **Forecasting and prediction:** The most important use of the analytics engine is to forecast and predict important metrics like head count, attrition percentage, revenue, cost of hiring, and churn - in real-time. The architecture utilizes historical data to build forecasting and prediction models on various metrics. By integrating Tableau and R, the architecture utilizes the capability of a modeling engine to build advance models.

- **Feature variable selection:** The architecture also helps in identifying important variables that have an impact on metrics that matter. For example, if a c-suite executive wants to understand the cost of hiring, the analytics engine not only helps forecast and predict the potential cost of hiring, but also provides a simple correlation between multiple variables affecting the cost of hiring. Another example is predicting promotion. Users can easily understand various factors that can contribute to the promotion of an employee. Without the advance analytics layer, such insights are typically intuitive, with little data to back decision-making.

- **Text analytics:** Organizations collect text-based data through surveys, independent interviews and other avenues. Deploying an analytics engine running on top of a consolidated data layer enables end users to view insights across various layers such as top requests from employees as well as best performing and poorly performing areas as perceived by employees.

Benefits of leveraging the architecture

Our enterprise architecture for people analytics enables several benefits:

1. **Self-service capability and "pull" based report access:** Self-service dashboards allow users across hierarchies to generate their own insights and analyze data against strategic goals and initiatives – all on the go. This flexibility eliminates the need for support teams to generate customized insights for different user groups. Another significant benefit is that c-suite members can access people data directly for decision making, without HR having to push data and insights to them.

2. **Enterprise-wide view of data:** Data consolidation using the ETL layer enables an enterprise-wide view of global data and allows users to pull dimensions across functions, to compare and create useful insights. This also eliminates the manual effort required across different departments to consolidate data for required insights. The enterprise-wide view of data is critical for the c-suite to be able to gather information on various strategic investments and their returns at a corporate level, as well as at a granular level.

3. **Holistic information:** With the help of the highly granular data, users can generate holistic information like cost-to-business, pyramid data by cost and head count, span of control with a comparative view against set benchmark, compensation analysis, attrition analysis, and direct vs. indirect reporting span.

Use case: dynamic data consumption in real-time

Let's consider a use case scenario to understand how this enterprise architecture can be implemented. A CEO of an organization with over 200k employees is interested in understanding the span of control across the organization. Traditional reporting presents challenges in drilling down for insights due to the size of reports as well as time required for such an activity. LatentView Analytics' enterprise architecture can help build a tool that the CEO can use to drill down to the region/division/store level to pinpoint exactly where span of control is below the internal target, identify problem areas, and enable quick interventions to improve various metrics around people data.

Putting forecasting and insights at the heart of decision-making

Over the last five years, organizations have begun to realize that a strong emphasis on capturing people data accurately is critical to achieving and sustaining high performance. According to Deloitte's High Impact People Analytics Study, 69% of companies are integrating data to build a people analytics database.[i] From employee referrals to retention and workforce productivity, innovative companies such as Tesla, LinkedIn, and Chevron are leveraging people analytics in unique ways and tasting success.[ii]

As technology continues to grow, it is not only important, but also necessary for organizations to start investing in enterprise architectures. The faster c-suite members can access people insights, the more likely are the chances for course correction. Having an advanced people analytics strategy can enable organizations to forecast and predict their future direction, redefine productivity and performance, and turn long-standing people-related challenges on their head.

[1]*https://www.mckinsey.com/business-functions/organization/our-insights/the-ceos-guide-to-competing-through-hr*

[2]*https://www.platinum-grp.com/blog/workforce-analytics-a-must-have-for-every-ceo*

[3]*https://www.tlnt.com/what-the-ceo-wants-from-hr-but-isnt-getting/*

[4]*https://www.visier.com/wp-content/uploads/2017/08/HBR-How-CEOs-and-CHROs-Connect-People-to-Business-Strategy.pdf*

[5]*https://www2.deloitte.com/content/dam/insights/us/articles/HCTrends2018/2018-HCtrends_Rise-of-the-social-enterprise.pdf*

About the author

Vivek Bharath

Vivek comes from a technology background, having worked for over seven years playing multiple roles both offshore and onsite, delivering solutions to clients. He is also a tenured talent manager and business partner and has experience working with teams across multiple geographies. He has completed a full-time business analytics course and currently plays the role of Lead HR for India. He also doubles up as the People Analytics Service Line Lead at LatentView Analytics.

About: LatentView Analytics

LatentView Analytics is a leading global data and analytics service provider helping companies turn data into actionable insights to gain competitive advantage. As a trusted analytics partner to the world's most recognized brands, LatentView solutions provide a 360-degree view of the digital consumer, fuel machine learning capabilities and support artificial intelligence initiatives. LatentView's success is driven by a commitment to deliver unrivalled analytics solutions that enable Fortune 500 companies in the retail, CPG, BFSI, high tech, healthcare and other sectors to predict new revenue streams, anticipate product trends, improve customer retention, optimize investment decisions and turn unstructured data into a valuable business asset. LatentView has offices in Princeton, N.J., San Jose, Calif., London, Singapore and Chennai, India with more than 600 employees globally.

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