

Measuring People Operations

A guide to workforce
analytics and maturity



Contents

1.	What is HR analytics?	4
2.	The benefits of using HR data	5
3.	Introducing the HR analytics maturity model	6
	– Level 1: Operational reporting	8
	– Level 2: Advanced reporting	9
	– Level 3: Strategic analytics	10
	– Level 4: Predictive analytics	11
4.	Benchmarking your HR analytics: key considerations to make	12
5.	It all starts with the right technology	14

Today, metrics are an essential part of any high-performing team, and Human Resources (HR) is no exception. Data helps uncover insightful workforce trends, ranging from the business impact of recruiting processes to departmental performance and employee engagement. It also gives teams actionable ways to improve based on real-world, tangible data.

Measuring people operations, however, is no easy feat. The world of human relations is based on many qualitative factors, and *quantifying* these can be challenging.

But, with the right internal processes and technologies at your disposal, HR teams can use workforce analytics to unlock higher performance and growth. A consistent review of your team's morale, for example, enables you to proactively spot employee red flags like disengagement. In turn, you'll be able to mitigate the impact of these risk factors, which may range from a drop in productivity to the departure of exemplary employees.

In this ebook, we explain which HR metrics to track and how to use them in leveling up your processes to gain richer insights into the people who make up your business.

What is HR analytics?

HR analytics is the process of collecting and analyzing HR data for the purpose of improving an organization's overall workplace performance. This process is also sometimes called people analytics, workforce analytics, or talent analytics.

Identifying which HR metrics to track is only the first step in building an effective, data-driven HR team. It's not enough to simply know *what* was happening. You also need to know *why*, and — in a highly optimized workplace — *what could* happen next.





To do this, HR teams must develop a comprehensive HR measurement and reporting strategy, one that coexists with the entire business.



The benefits of using HR data

HR teams no longer serve a strictly administrative function within the business. Now, organizations look to HR departments for strategic direction based on their data-driven decision-making approach.

This reduces the emphasis on top-down, subjective management styles and gives HR teams the power to influence business decision-makers (BDMs) for the better. No longer simply the disciplinarians resolving office disputes, HR teams now have a greater impact across all areas of the business. These include:

-  Business direction
-  Organizational structure
-  Company mission and goals
-  Productivity measures

The HR team at [Google](#), for example, used a series of data-backed tips to advise managers who were onboarding new hires, such as how to employ regular check-ins. The result? Those hires ended their onboarding a month ahead of schedule.

Reaping quantifiable benefits like these starts doesn't happen overnight — it starts by assessing how you're currently [measuring your HR efforts](#) and identifying ways to improve.

Introducing the People Operations Maturity Model

According to [Deloitte](#), HR analytics follows four levels of maturity:

LEVEL 1: Operational reporting

LEVEL 2: Advanced reporting

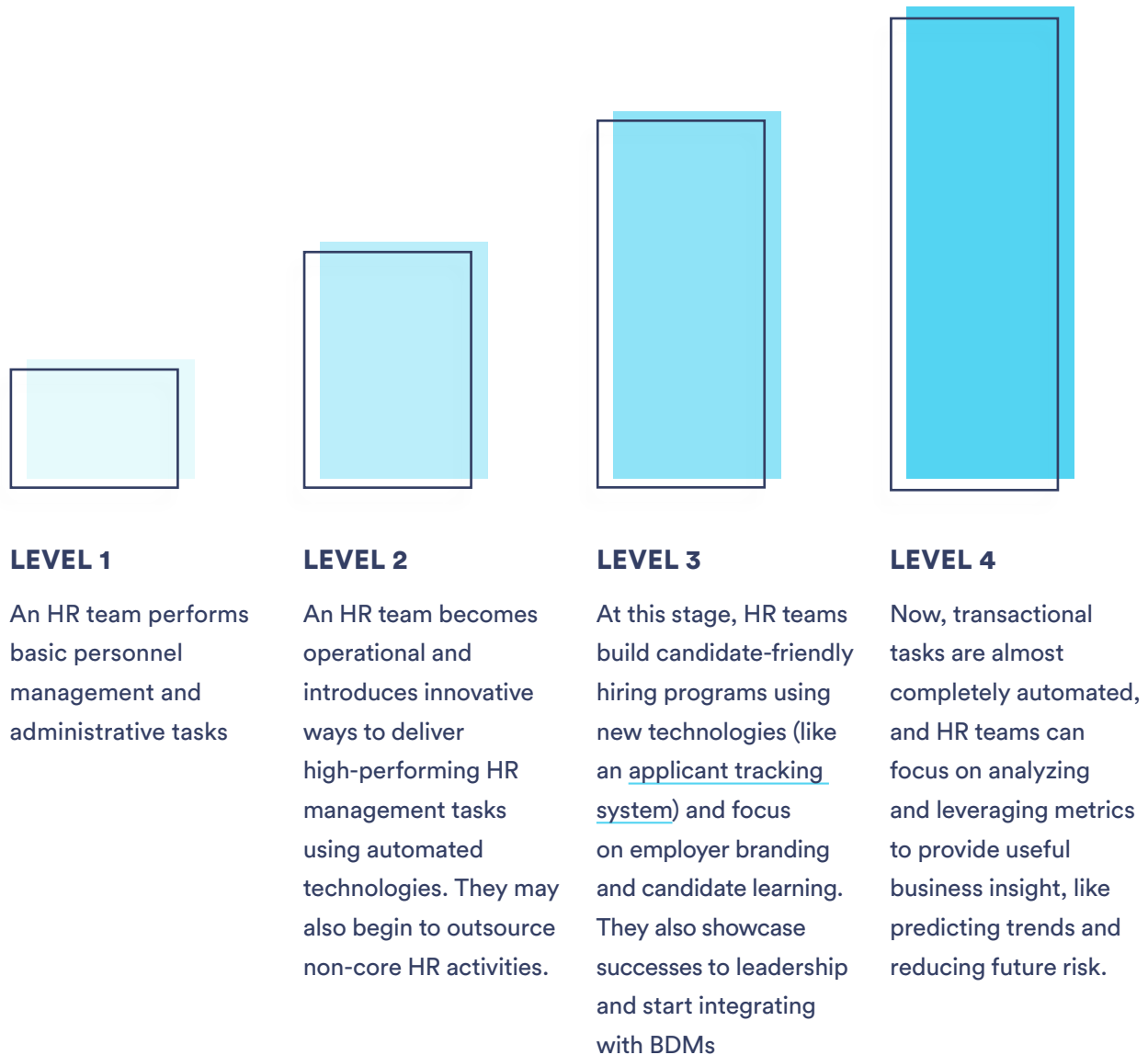
LEVEL 3: Strategic analytics

LEVEL 4: Predictive analytics

At each stage of this maturity model, an HR team unlocks new ways to collect and analyze data, in turn becoming more efficient, effective, and agile as a department. This evolution helps bring HR teams out of the old world and into the new by extending their impact and empowering them to have more influence over business direction.

By leveraging technology throughout, this also helps teams to advance their level of automation, thus saving time and effort.

Driven by data collection and analysis, this evolution looks something like this:



At each stage of this evolution, there are specific metrics that HR teams must gather, analyze, and report on to advance. Below, we look at the different levels involved in the HR analytics maturity model and help you identify where you currently are, as well as what you need to do to reach the next level.

Level 1: Operational reporting


At this fundamental stage, your HR team is focused on understanding readily available historic data. This data is used to identify and reflect on what has happened in the past. Nothing more, nothing less. HR teams will draw conclusions on this data and try to implement a better strategy the next time around.

SOME TYPICAL METRICS INCLUDE:

 Headcount

 Turnover

 [Cost of hiring](#)

 [Training costs](#)

Ultimately, this reactive approach to data analysis helps HR teams perform their administrative duties better, but it doesn't contribute to the strategic decision making of the business as a whole.

REACHING LEVEL 2






There is one key way an HR team can move out of level one and into level two: [build analytics dashboards](#) that allow you to look beyond individual data points and provide a holistic picture of the people within the business.

To do this, it helps to have an [HRIS](#) that integrates with the rest of your HR tech stack and aggregates data from various sources into one dashboard. HR teams can then build a comprehensive overview of data associated with each employee and individual teams, allowing them to then identify key trends over time. At this stage, HR teams can also deliver easily digestible reports that provide context to BDMs.

Level 2: Advanced Reporting

Advanced reporting is reporting that directly impacts HR decision making. Not only are HR teams operational by this point, but they're able to collect data automatically over a long period of time. As a result, they have the opportunity to deploy trend analysis so they can predict outcomes.

TO DO THIS EFFECTIVELY, TEAMS MUST ANALYZE METRICS INCLUDING:

-  Employee wellbeing scores (EPS scoring)
-  Speed of onboarding
-  Time to hire
-  Speed to open enrollment
-  Quality of hire

Remember: It's more important to show relevant information than to show all information when reporting at this stage. Dashboards and metrics should inform strategic decision making. They need to be concise and actionable.





REACHING LEVEL 3

Moving from advanced analytics to strategic analysis requires you to think outside the HR box and begin reporting on how people analytics influences the wider business and impacts bottom line. To do this, it means working across multiple departments to not only identify HR data points related to topics like demographics, performance, and hiring, but also introduce other contextually relevant data like financial performance and operational efficiency. This is near impossible to achieve without a centralized, automated, and process-driven HR team. It also requires a business intelligence (BI) system that aggregates data from multiple places outside of the department.

Level 3: Strategic Analytics

After putting together all the necessary data, you can start answering questions through statistical analysis. Managers and executives are typically rushed for time, and they don't need to see complex modeling. Instead, they're after short, concise, and *actionable* analyses that translate into better business performance.

SOME KEY METRICS TO ANALYZE AT THIS STAGE INCLUDE:

-  Diversity scoring and its impact on the business.
-  Workforce engagement from both an individual viewpoint and from teams.
-  Competitor growth analysis, which includes analyzing: hiring speed, total labor costs and growth percentage
-  Key factors that contribute to employee turnover.

If you're operating at this level, you'll be using statistical analysis to proactively identify core business vulnerabilities. This also means you'll be spending your time working with senior executives to recommend (and perhaps implement) actionable solutions.





REACHING LEVEL 4

To reach the top rung of the HR analytics maturity ladder, you need to set up and understand predictive analysis. Forecasting, scenario planning, and risk mitigation are the main functions at this level, and much of the day-to-day administrative tasks are either outsourced (usually to an external agency or HRIS) or automated and managed by a dedicated person. To reach this level, you'll also likely need a dedicated data analyst, or know a lot of data analyses yourself. Given the cachet and influence over business direction at this stage, it requires someone's full-time attention.

Level 4: Predictive Analytics

If you're at this level, your main function is to develop predictive models, conduct scenario analysis, and develop statistical analysis. Above all, you report and recommend tangible insights to BDMs so they can make informed business decisions. Your HR team lead is fully integrated into the decision-making process by this point, and they have a lot of influence over strategic direction.

A FEW KEY METRICS THAT COME INTO PLAY HERE INCLUDE:

-  Forecasting retention rates (per team) based on multiple data points, including: number of promotions given, number of raises given, EPS scoring and engagement with company perks
-  Forecasting business opportunity by headcount, reporting on data like: the number of sales made per person, the number of leads generated per person in marketing, the number of clients for customer success and the median client retention rate
-  Analyzing market trends to predict ebbs and flows
-  Planning for extraneous circumstances

At this stage, it's not enough to just predict future outcomes and report these to BDMs. HR executives must also implement rigorous planning scenarios to help mitigate against any and all risk that may exist inside and outside of the business. A highly functioning HR team that can reach level four will become indispensable to a business and will heavily influence not just strategic direction, but also fiscal factors including the business' bottom line, revenue margins, and profitability.

Benchmarking your HR analytics: key considerations to make

Knowing where you are in this maturity model can oftentimes be tough, especially if you're bogged down in day-to-day operations with no real clarity over your own team's performance. But, by asking the right questions, you can build a clear picture, which will help inform your immediate priorities in order to level up.



Here are a few things to consider.

1. ASK THE RIGHT QUESTIONS

First and foremost, you must start by understanding what metrics matter most to your department. Outside of broader metrics that impact business performance, how well equipped are you to efficiently track, analyze, and report on HR-specific analytics?

2. CONSIDER RIGHT-SIZE METRICS

Next, you need to match the metrics you're tracking with the size of the problem you are solving. For example, if your immediate priority is to understand employee turnover in order to solve an engagement issue, you don't need to spend time deliberating competitor growth analysis.

3. ACCELERATE YOUR INSIGHTS

Once you understand the problem you're trying to solve and the scale of the metrics required to solve it, it's time to build efficient and streamlined processes for gathering these metrics. With the right technologies at your fingertips, you can automate this process and free up time for your HR team to focus on analyzing data, rather than gathering it.

4. DELIVER ON THESE INSIGHTS

The reason for data-gathering and analysis is to report on problems found or predict future issues. This can only work if you deliver executive-friendly data in a digestible way that offers actionable solutions to real problems.

5. FACTOR IN CHANGE MANAGEMENT





Finally, it's important to remember that taking action on change requires significant amounts of time, planning, and forward-thinking. It's also vital to keep in mind that with change comes potential added business risk.

It all starts with the right technology

Whether your HR team is operating at level one or level four, the fundamental driver of this evolution is technology.

Without the right tools at your disposal, gathering real-time insights into workplace metrics - and then implementing positive change - isn't feasible.

This is where [JazzHR](#) and [Zenefits](#), come in. If you're spending too much time on hiring and on managing the day-to-day of HR, we can help. With our tools, you can:

-  Take control of your hiring process
-  Streamline onboarding
-  Manage employee benefits
-  Organize payroll

Ultimately, we give you back your time so you can concentrate on growing your business and developing your people.



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