



What is People Analytics & What are the Benefits



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WHAT IS PEOPLE ANALYTICS?

Google tells us that “People analytics, also known as talent analytics or HR analytics, refers to the method of analytics that can help managers and executives make decisions about their employees or workforce...people analytics is a new domain for most HR departments”, which was an apt description five years ago. Now, due to advances in technology, people analytics is so much more and will be one of the most powerful tools that HR and management teams will have to create and manage highly effective teams.

“77% of executives now consider people analytics as a key business priority”¹

People analytics is the use of people data to assist business owners and managers to make more informed, and more accurate, decisions about their human capital. People analytics applies technology and expertise to talent data which results in better business decisions across the entire employee lifecycle (attraction, selection, on-boarding, coaching, mentoring, training, performance management, promotion, redeployment and the development of leadership capability).

In short, People Analytics are the future for any sized organization if they truly want to maximize employee performance and engagement levels. By replacing “gut-feel” with technology, management teams have the opportunity to organically optimize organizational performance and increase revenue, profitability and customer service metrics.





THE BENEFITS OF PEOPLE ANALYTICS

People analytics provides management teams with objective and relevant data on their employees and by doing so enables better quality decisions to be made. By replacing gut-feel, which has never been an effective approach when it comes to people management, with objective and scientifically based decision making the end result is improved employee performance and engagement levels.

The key benefits include improvements in the following areas:

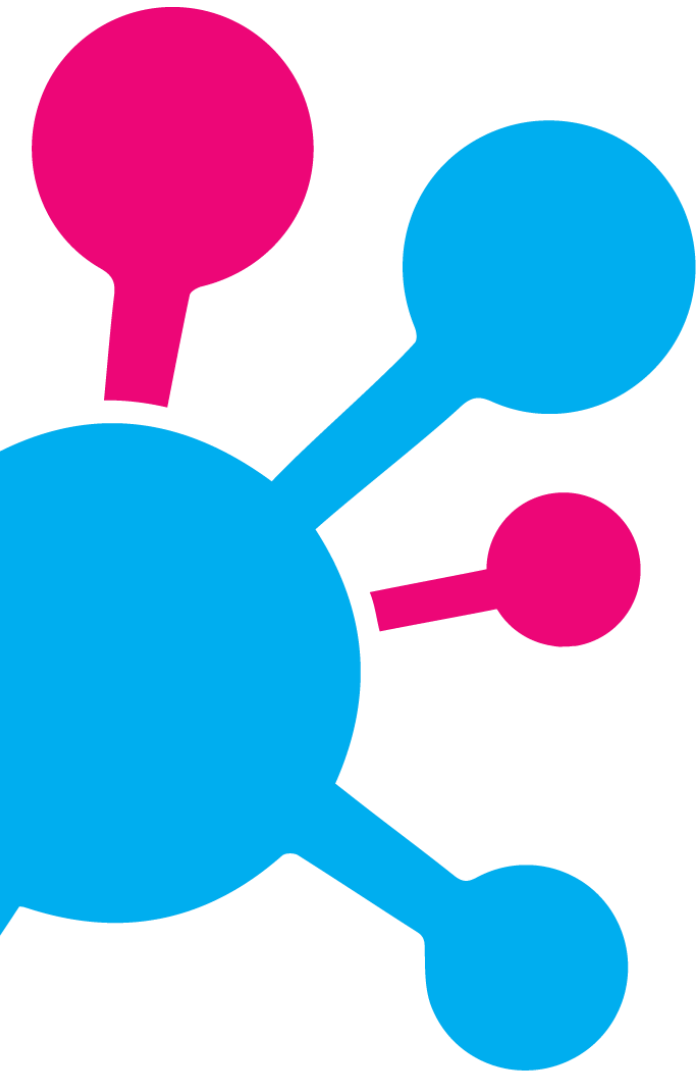
- **Employee Selection**
- **Employee Performance**
- **Employee Engagement**
- **Employee Retention**
- **Employee Early Failure Rates**
- **Management Leadership Capability**
- **Management Decision Making**
- **Management Accountability**
- **Organizational Communication**
- **Organizational Innovation**
- **Organizational Culture/Aligned Values**

Some of the organizational rewards attributed to people analytics:

- **Up to 300% improvement in the success rate of selecting future high performers**
- **Over 40% average reduction in employee turnover and early failure rates**
- **Expand leadership development to all levels, not just at the senior executive level**



There are four types of people analytics:



DESCRIPTIVE

"What is happening?"

Looking in the rear view mirror and reporting on what has happened in the past



DIAGNOSTIC

"Why is it happening?"

By analysing past data discover why certain situations are occurring



PREDICTIVE

"What is going to happen?"

By analysing existing data using technology and expertise predict what is going to happen



PRESCRIPTIVE

"What should we do?"

By using the predictive data employ algorithms to provide a course of action that will prevent a negative event occurring

Recent studies conducted by Bersin by Deloitte found that while 30% of organizations were conducting Descriptive Analytics (advanced reporting) only 10% were using Diagnostic Analytics and a staggeringly small 4% were using Predictive/Descriptive Analytics.

These numbers tell us two things, the first is that HR professionals and C-Suite need to start investigating and piloting higher level analytics to discover what will assist them to maximize organizational performance, and two, that there is a substantial amount of business performance upside for those management teams that invest in these advanced analytics.

THE COMMON BARRIERS TO IMPLEMENTATION

Management teams have recognized the benefits and need for analytics in all areas of their businesses for decades but not so much for the people side. The question is “why”?

There is absolute acceptance that using analytics in sales, customer service, accounts, logistics and management information will improve business process and performance. And yet the most important asset any organization has, its people, are not given the opportunity to maximise potential through analytics. We believe there are two main reasons for this mindset:

People are People



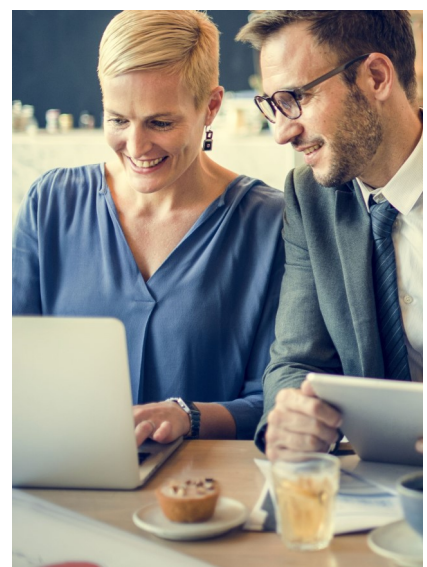
Many managers and supervisors believe they are experts on “people”, simply because they are a person themselves. They will be heard saying things like “I know in the first five minutes of an interview whether they are the one” or “I have been employing people for years, I know what I am doing”, the only problem is that if you evaluated all of the people they have recruited there would only be about 25% of them that were considered high performers.

Gut-feel in employee selection does not work, it does not deliver consistent results and it disadvantages not only the organization but every employee because whenever a sub-standard recruit joins the team it puts extra pressure on the existing employees.

HR being Risk Adverse

To a large degree the C-Suite have inadvertently promoted a risk adverse culture within their HR departments. Many HR professionals will not pilot new ideas and technology because they fear the ramifications, real or perceived, they will have to endure if the pilot does not work.

Most CEOs will proclaim that they promote innovation and yet they punish those who make mistakes, the message has to get through, you cannot have a culture of innovation unless you not only accept that mistakes will be made but importantly celebrate and learn from the failures.



IMPLEMENTING PEOPLE ANALYTICS DOES NOT HAVE TO BE DIFFICULT OR EXPENSIVE!

People analytics have come a long way in the last couple of years and with the advent of new technology the cost of implementing these advanced analytics has also reduced.

Multirater Surveys is a people analytics online platform which offers a range of employee and client surveys for a low fixed cost that will suit the budget of any sized organization:

180 Degree Performance Reviews



A diagnostic analytic providing managers with a measure of each direct reports' performance, attitude and alignment to organizational values. The Executive Summary provides guidance to the manager and employee on the competencies that require attention and future development for the employee to maximise their success in the role. These short performance reviews should be conducted at least every three months to ensure that any potential barriers to success are recognized and attended to in a timely manner.

360 Degree Leadership Development Surveys



A diagnostic and prescriptive analytic survey that would be the most effective self-development tool for any leader, manager and supervisor. The 360 Degree survey is a powerful diagnostic that measures the perceptions of an individual and those of the colleagues they work with in areas such as leadership, people management, task management, communication and values alignment.

When using the resultant report for self-development, the Executive Summary and related Development Action Summaries provide the leader with suggestions to address any lag competencies that will result in increased leadership potential. For an effective measure of leadership capability improvement, try using LNPS (Leadership Net Promotor Score) and track the improvements in all of your managers and leaders.



Employee Engagement/Feedback Surveys



Employee engagement surveys tend to be descriptive analytics and employee feedback surveys are diagnostic in nature. An effective employee survey must incorporate both areas if it is to provide management teams with actionable intelligence. We strongly suggest that organizations deploy a more comprehensive survey every twelve months and employee pulse surveys (about ten questions only) every month.

The pulse surveys provide a far more accurate measure of what is happening now and assists management teams to make more timely people capital decisions. For an effective measure of employee engagement improvement, try using eNPS (Employee Net Promotor Score) and track the improvements realized from your people capital programs.

Customer Pulse Surveys



Customer surveys have one primary rule, they must take less than three minutes to complete. Gone are the days when customers will donate twenty minutes of their time, it is not going to happen. Most customer surveys are descriptive in nature but by asking the right questions they can quickly become very powerful diagnostic and predictive analytic tools.

Clearly articulate the three or four “killer” questions you want answered and design your survey questions to deliver the answers, do not ask any questions where you have no intention of making organizational changes if you obtain an adverse result. For an effective measure of customer satisfaction improvement, try using cNPS (Customer Net Promotor Score) and track the improvements in your customers’ satisfaction levels.





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MultiRater Surveys is a revolutionary new platform that provides fully customised 180°, 360°, employee and client Pulse surveys at a fraction of the traditional cost.

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1. Deloitte 2016 Global Human Capital Trends report

