

The New Rules of HR Analytics: 4 Principles to Guide Your People Analytics Team

Presented by

plum



“**Better people drive better outcomes.**”

Better people drive better outcomes.

As a Human Resources and Talent expert, your response to that statement may be, “Yes, obviously!” Finding and equipping people to make an impact in an organization is probably why you got into the HR and People field in the first place.

But is your people analytics strategy set-up to *actually measure* the relationship between individual performance and overall company success, today and tomorrow? Likely not.

If the “old rules” of HR analytics were to provide a thermometer to measure HR efficiencies, then the “new rules” of HR analytics means to bring a thermostat to overall organizational health – in other words, not just reactively taking the temperature of past processes, but instead taking a proactive approach that enables your organization to stay one step ahead of the competition in the future of work.

But before we get into the “new rules,” what were the “old rules” of people analytics?

The Old Rules of HR Analytics

As you likely know (but who couldn't use a little refresher), people analytics is the domain (usually in HR) dedicated to collecting, cleaning, and making sense of employee data to make informed decisions.¹ Common people data collected by HR and Talent experts today include turnover rate, time-to-hire, cost-per-hire, and absenteeism. Recruiting is the number one area of focus when it comes to HR analytics, followed by performance management, compensation, workforce planning, and retention.²

These areas drive factors like process efficiency and candidate experience. They also do a great job of highlighting gaps and inefficiencies internal to the HR department. But where these metrics fall flat is their inability to answer the questions, “Are we hiring and developing better people? And are they efficiently and effectively delivering on defined organizational outcomes?”

If these metrics don't answer these questions today, then they certainly won't answer them in the future of work.

After all, in the next few years, half of today's jobs will be replaced by automation and AI. At the same time, 133 million new jobs will be created, thanks to the ubiquity of AI.³ All organizations are preparing to face unprecedented workforce planning, upskilling, and talent management challenges. Because of their size and complexity, large enterprises will feel the pain of this transition most acutely.

Those responsible for hiring and redeploying existing talent – HR and Talent teams – will need to face this massive workforce migration head-on. Senior business leaders will become more invested in talent acquisition and mobility than ever before, since the scale of this workplace game of musical chairs means the success of the business relies on predictively getting the right people in the right seats. As such, HR and People experts will find themselves with a seat at the table more and more. HR will no longer be seen as simply a facilitator (or even a barrier) to organizational

Is your people analytics strategy set-up to actually measure the relationship between individual performance and overall company success, today and tomorrow? Likely not.

outcomes, but as a strategic business driver. That also means that HR will need to step up its analytics game.

Efficiency- and cost-centric metrics like turnover rate, time-to-hire, cost-per-hire, and absenteeism have provided a solid foundation on which HR and Talent can stand. But the reality is, the future of work demands that enterprise organizations move beyond efficiency and process optimization metrics. HR teams need data to make predictive talent decisions that drive business success in the future of work.

The New Rules of HR Analytics

Previously, some of the questions you might have asked in the age of the “old rules” of HR analytics include, “How can we fill roles faster?” “How can we ensure 100% completion of this training in our Learning Management Software (LMS)?” “How many applicants do we get on average per job posting?” Now, it’s time for HR and people analytics teams to start driving better business results in the future of work, and surface data and insights that answer your senior leadership’s most burning questions.

Questions the “New Rules” of People Analytics Can Answer

- How will our massive workforce need to be redeployed or retrained with the emergence of automation and AI? How do we measure our employees’ talents today?
- Will the recent grad and entry-level talent we bring in today have the make-up of future leaders and high-potential individuals that will lead our company tomorrow?
- Does our organization support our diversity & inclusion (D&I) policies and goals beyond hiring to ensure diverse candidates see a clear path forward in our organization?
- What does the competency model of a leader in the future of work look like?
- Are we providing a consumer-grade candidate and employee experience in a workplace where people will increasingly be working alongside machines?
- Are we providing data-driven learning & development to support non-linear career paths?

All of these questions can begin to be answered with people analytics. Your organization is collecting more data than ever before – now it’s time to focus your data collection and analysis on answering the people-related questions that keep your senior leaders up at night.

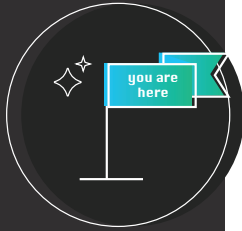
Strategically approaching future-ready people analytics starts with bringing together a dedicated people analytics team. These teams should possess a diversity of expertise and deep organizational connections, including I/O Psychology, consulting, finance, marketing, IT/business intelligence, data science, and HR.

The data shows that taking the time to build a strong people analytics team is worth the investment; organizations that have a mature people analytics system see their stock prices outpace the S&P 500 by 30 percent.⁴

The aim of this e-book is to equip you with 4 “new rules” that will inform how your people analytics team approaches data in a way that not only optimizes internal HR processes, but strategically drives future-ready business decisions.

New Rule #1:

Ask the Questions that Get You from Reactive to Proactive



Current State

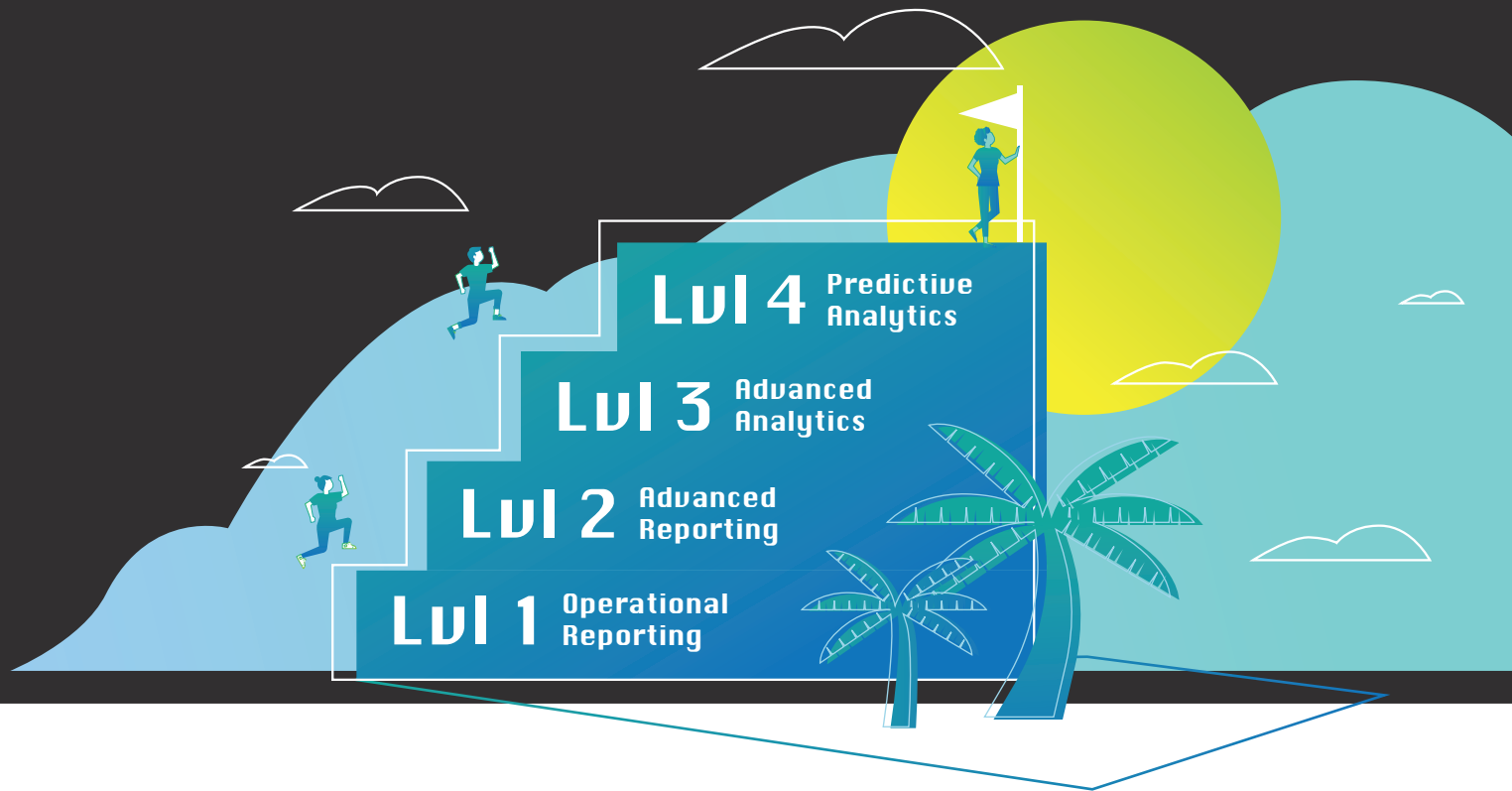
In their book, *The Data-Driven Leader: A Powerful Approach to Delivering Measurable Business Impact Through People Analytics*, authors Jenny Dearborn and David Swanson outline four stages of people analytics: descriptive, diagnostic, predictive, and prescriptive.⁵

Figure 1 - Four Stages of People Analytics

	Stage	This Type of Analytics Asks...	Description
Reactive	Descriptive	What has happened?	By mining data to provide trending information on past or current events, it provides decision-making guidance for future actions, often in the form of Key Performance Indicators (KPIs).
	Diagnostic	Why has this happened?	By utilizing statistical and analytical techniques to identify relationships in datasets and degrees of correlation between variables, it helps pinpoint the causes of problems and formulate corrective solutions.
Proactive	Predictive	What could happen?	The term encompasses a variety of techniques, such as statistics, modeling, machine learning, and data mining, which are used for finding correlations within big sets of current and historical facts, to make useful predictions about future events.
	Prescriptive	What should we do?	It explores a set of possibilities and suggests optimal course(s) of action based on descriptive and predictive analyses of complex data.

HR analytics has typically dealt with descriptive and diagnostic analytics. In other words, they're *reactive*. The examples we listed in the intro – time-to-hire, absenteeism, cost-per-hire, and turnover rate – are all examples of reactive descriptive and diagnostic analytics. When it comes to predictive and prescriptive (i.e., *proactive*) analytics, HR teams appear less equipped and enabled. For instance, only 9% of companies believe they have a good understanding of which talent dimensions predict performance in their organizations.²

Figure 2 - Bersin by Deloitte's Talent Analytics Maturity Model



If your HR and Talent teams want to become strategic business drivers in your organization, you're going to need to start capturing data that is forward-looking and predictive of future organizational success.



What Great Looks Like

Bersin by Deloitte developed a Talent Analytics Maturity Model that categorized organizations from level 1 to level 4 – level 1 companies do foundational operational reporting, and level 4 organizations fully integrate predictive analytics into their decision-making.⁴ While 56% of organizations fall into level 1 (reactive, operational reporting of efficiency and compliance measures, focus on data accuracy, consistency, and timeliness), only 4% of organizations are considered level 4.

In the “new rules” of HR analytics, organizations will progressively migrate from level 1 to level 4. Organizations will have a strong foundation when it comes to operational reporting, and will be able to focus on building out predictive analytics, which includes development of predictive models, scenario planning, risk analysis and mitigation, and strategic planning.

Take a look at Figure 3 to get an idea of the types of questions people analytics teams in level 1 organizations ask versus people analytics teams in level 4 organizations regarding multiple facets of talent management. Asking the right questions is the first step towards shifting your analytics from reactive to proactive.

Figure 3 - Level 1 and Level 4 Organization Questions

	Level 1 Organization Questions	Level 4 Organization Questions
Hiring	<ul style="list-style-type: none"> • What is our average cost per hire? • What is the average number of applicants per job posting? 	<ul style="list-style-type: none"> • What talent dimensions predict success now and in the future in our organization? • Are we providing a candidate experience that adds value for applicants, ensuring that even if they are rejected, they will want to re-apply to our organization when a better fitting role emerges?
Career Pathing	<ul style="list-style-type: none"> • How many people have left the company? What are their demographics? • How many employees were promoted to managerial positions this year? 	<ul style="list-style-type: none"> • How can we predict whether someone will be a good fit in a role when making a cross-departmental career move? • How do we identify early signs that someone is dissatisfied in their role to consider moving them to a new role in the organization?
Learning & Development	<ul style="list-style-type: none"> • What percentage of people completed the mandatory online training in our LMS? • How many employees have taken at least one professional development course to develop skills in their field? 	<ul style="list-style-type: none"> • What percentage of people are engaged in learning & development programs that are curated to their unique abilities and address future business needs? • How do we align learning & development efforts to business outcomes, and how do we measure the financial impact of this strategy?
Diversity & Inclusion	<ul style="list-style-type: none"> • Have we met our hiring for diversity quota goals? • What percentage of our leadership team is from a protected group? 	<ul style="list-style-type: none"> • Once protected groups enter our organization, can we predict how long they'll stay? Can we identify what factors cause protected groups to churn and how can we mitigate those risks? • Are all employees equally considered for leadership positions? • Do all of our employees feel that they are respected and supported at work?
Identifying Emerging Leaders	<ul style="list-style-type: none"> • What percentage of our workforce is involved in our high-potential (HIPO) program? • What percentage of employees in our HIPO program succeed or fail when put into leadership positions? 	<ul style="list-style-type: none"> • Which competencies correlate to leader success and how can we create a leadership competency model to identify emerging leaders early in their careers? • Will the leaders we identify today be able to serve the markets and product/services we will sell in the future?
Employee Engagement	<ul style="list-style-type: none"> • What is the average absenteeism rate? • What percentage of employees indicated that they were highly engaged in our annual engagement survey? 	<ul style="list-style-type: none"> • How do we keep employees engaged in a work environment that's seeing more machines and automation? • How can initiatives like personalized learning & development and employee-driven career pathing impact employee engagement?



Next Steps

To get a seat at the table, HR teams need to start thinking like business leaders. They need to ask the big questions that we touched on in the introduction – questions like, “What predictions can we make today that will give our organization a competitive advantage tomorrow?” “What are our competitors doing and how can we stay one step ahead?” “How can we predictively get the right people in the right jobs of tomorrow?”

HR and people analytics teams have the opportunity to answer the questions that are keeping your organization’s leaders up at night. In Josh Bersin’s LinkedIn Learning class on people analytics, he suggests that the most successful teams start small with a project that drives value.¹ As you begin to move towards a more predictive and prescriptive model of people analytics that will drive future value in your organization, consider measuring the following:

Talents.

Which talents (recurring patterns of thoughts, feelings, and behaviors)⁶ lead to high performance across the organization and within departments? How can those findings impact future hiring decisions?

Job displacement.

Which types of jobs have been replaced by automation and/or AI in the past? What skills, knowledge, and competencies will be necessary in the roles of the future?

Career progression.

Employees cite opportunity for career progression as one of their top criteria when looking for a new job.⁷ Can data like average length of time before promotion, average salary raise per promotion, and number of job titles before an employee reaches management level help inform proactive career pathing that gets employees into new roles before they churn to find career progression opportunities at another company?



New Rule #2:

Focus on Quality, Universal Data

The Current State

Only 15 percent of organizations believe their HR teams have strong credibility in talent metrics and analytics today.⁴ 8 percent of organizations report they have usable data.² For most organizations, capturing clean and quality people data is falling to the wayside.

And not only does people analytics data tend to be lacking in terms of quality, but these datasets also tend to be highly siloed.

It's no secret that current talent management processes keep people in rigid silos. The typical career path for someone who starts off in sales, for instance, is Business Development Representative, Account Executive, Channel Manager, and so on. The age-old career ladder doesn't leave much room for people to see where their talents and skills can be applied in other departments across the organization.

Unsurprisingly, with business silos come data silos. Each department hoards the people data they themselves have collected. The data is disparate; data collected in one business unit is incompatible with the data collected in another. Therefore, there is no way to show relationships between datasets. Data collection is also typically designed for a single use case, which means it's thrown out once it has fulfilled its initial purpose, such as selecting a new hire or identifying an emerging leader.

The siloed nature of people data will become increasingly problematic as we enter the future of work. It will be up to HR and Talent leaders to predict which jobs will organically phase out due to automation and make plans to move talent along potentially unconventional career paths. Rather than expecting decades of company loyalty from employees climbing the ladder in one department, organizations must allow individuals to seamlessly move across the organization into roles that match their innate talents. Think career lattices as opposed to career ladders.⁸

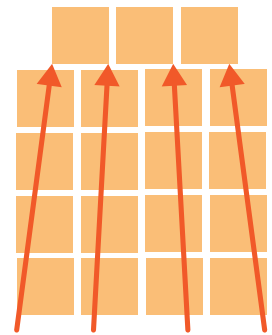
Without clean, universal datasets, placing people into roles based on guesswork and "gut feel" alone could be disastrous enough to render an organization obsolete.

What Great Looks Like

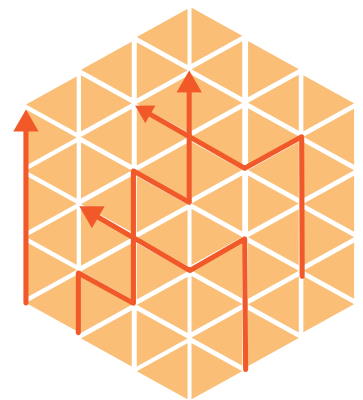
A universal talent dataset consists of predictive people data that can be leveraged in every business unit. It breaks down the siloing of data in an organization.

In order to understand what kind of data makes up a universal talent dataset, we first need to understand what constitutes generally high quality, predictive data, and how this relates to the data we collect about people. The definition of quality data can be reduced down to seven characteristics (see Figure 5): accuracy & precision, legitimacy & validity, reliability & consistency, timeliness & relevance, completeness & comprehensiveness, availability & accessibility, and granularity & uniqueness.⁹

Figure 4 - Career Ladder vs. Career Lattice



Example of linear career paths

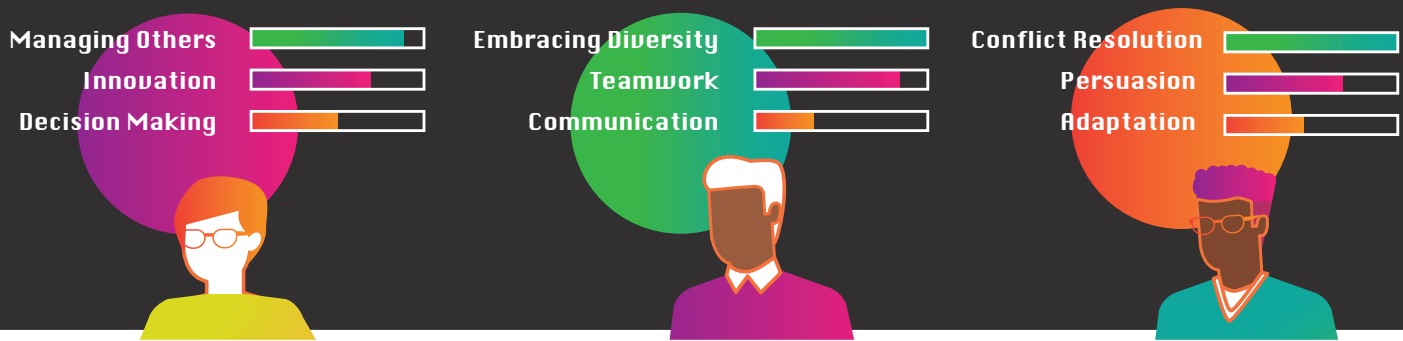


Example of varied paths for growth and development

Figure 5 - What is Good Universal Talent Data?

Quality Data Characteristic	Definition	How It Applies to Universal Talent Data
Accuracy & Precision	The exactness of the data; it cannot have any erroneous elements and must convey the correct message without being misleading.	Is the people data you're collecting objective or anecdotal (i.e. "gut feel")? Objective datasets are not subject to interpretation and therefore are less susceptible to bias.
Legitimacy & Validity	Requirements governing data set the boundaries of this characteristic. For example, if a survey asked for a yes/no response, but the respondent gave something other than a yes/no response, that data would not be considered legitimate & valid.	Is there research to prove that the way you're collecting data is measuring what it says it's measuring? For instance, if you are using a behavioral assessment to collect personality data, has the vendor provided a technical manual that outlines the research on the assessment's validity?
Reliability & Consistency	There must be a stable and steady mechanism that collects and stores the data without contradiction or unwarranted variance.	Continuing on the assessment example, are you using the same assessment to gather the personality data of your employees and applicants?
Timeliness & Relevance	There must be a valid reason to collect the data to justify the effort required, which also means it has to be collected at the right moment in time.	Are you collecting certain people analytics because other organizations are collecting that data, or do you have a clear idea of how the data you're collecting will assist in predictively migrating talent across the organization?
Completeness & Comprehensiveness	Gaps in data collection lead to a partial view of the overall picture to be displayed. Without a complete picture of how operations are running, uninformed actions will occur.	Are you collecting the same talent data for every person across every business unit in order to ensure cross-organizational "compatibility?"
Availability & Accessibility	Individuals need the right level of access to the data in order to perform their jobs.	Is there a uniform database that stores talent data so that the appropriate personnel in every department can view it? Can it be accessed from anywhere globally?
Granularity & Uniqueness	An appropriate level of granularity must be defined to provide sufficient uniqueness and distinctive properties to become visible.	Are you collecting data that provides a holistic view of each individual's strengths and areas for development?

An example of high-quality data that can be used to build universal datasets is psychometric data. Psychometric assessments allow employers to assess dimensions of a person that wouldn't necessarily be clear on a resume or performance review, like problem-solving ability, social intelligence, and personality. Industrial/Organizational (I/O) Psychologists develop these assessments to enable organizations to gain a deep and holistic understanding of their workforce's unique talents.



What is Industrial/Organizational Psychology?

Industrial/Organizational (I/O) Psychology is the study of human behavior in the workplace. The practice of I/O Psychology applies psychological theories and principles to organizations. I/O Psychologists contribute to an organization's success by improving performance, motivation, team effectiveness, job satisfaction, innovation, occupational health and well-being, and more. I/O Psychologists improve hiring, training, and management by studying worker behavior, evaluating companies, and conducting leadership training. I/O Psychology is one of the 15 recognized specialties in professional psychology in the United States.

The following organizations are just a few of the Fortune 500 companies that have in-house I/O Psychologists improving their employee selection, development, feedback, and more:

Walmart
Apple
Amazon
AT&T
General Motors
Verizon
IBM

Dell Inc.
State Farm
Johnson & Johnson
Procter & Gamble
PepsiCo
Facebook
Marriott International

Starbucks
Halliburton
Union Pacific Railroad
CenturyLink
Nordstrom
The Kellogg Company
eBay

While the “organizational” side of I/O Psychology focuses on understanding how organizational structures and management styles affect individual behavior, the “industrial” side involves understanding how to best match individuals to specific jobs. A priority on this end of I/O Psychology is to gather evidence that identifies which selection methods best predict performance, such as personality tests. One of the biggest challenges facing I/O Psychologists is disrupting the age-old usage of pseudo-personality tests, like Myers-Briggs (MBTI) and DISC, in selection processes.

Extensive research has shown that combining the results of personality and cognitive ability assessments will typically have 2X the ability to predict job success than either type of assessment alone.¹⁰ Not to mention, these multidimensional assessments are 4X more accurate at predicting on-the-job success than a resume.

On top of their predictive power, psychometric assessments are valuable because of their:

- **Objectivity.** Unlike other datasets used to gain insight on how people perform in a job (like resumes), adverse impact on minority groups can be minimized or avoided with well-designed psychometric assessments. They provide a more equitable method of determining job fit.
- **Holistic nature.** Psychometric assessments give a full picture of a candidate's potential, unlike resumes and applicant tracking system (ATS) knockout questions, which can only offer a glimpse at best.
- **Scalability.** Online assessments can easily be distributed to your organization's employees and job seekers. The scalability of collecting, storing, and matching that talent data to roles is multiplied when psychometric assessments are backed by AI.

Next Steps


Once you've committed to collecting high-quality, universal data, consider these next steps.

Conduct a data audit.

Take a look at the data you're currently collecting and begin to break down how much of it is operational reporting data, and how much is predictive analytics. In other words, where does your organization sit in Deloitte's Talent Analytics Maturity Model (See Figure 2)? Being a level 4 organization does not mean replacing operational reporting metrics with predictive analytics, but rather it constitutes building from a foundation of basic reporting. As you review the datasets collected for various aspects of talent management, whether it's hiring, learning & development, succession planning, or identifying emerging leaders, begin to audit which operational reporting datasets are necessary to provide a foundation for predictive and prescriptive analytics. Begin to swap out bandwidth spent on collecting superlative reporting data with a focus on using data to answer level 4-type questions, like the suggestions we outlined in Figure 3.

Collect psychometric data.

Industrial/Organizational Psychologists have spent decades determining the types of psychometric assessments that can most accurately predict how someone will perform on a job. Some of the most influential research to date has found that the best predictors of performance include problem solving ability, social intelligence, and personality.¹¹ A psychometric assessment developed by I/O Psychologists that measures these inputs can enable your organization to collect a universal psychometric dataset consisting of your employees' talents, allowing you to see the big picture of talent pools and gaps.



Research has shown that combining the results of personality and cognitive ability assessments will typically have 2X the ability to predict job success than either type of assessment alone.

□ Kick-start data governance.

Once a universal data collection plan is in place, a data governance team should be brought in to monitor data quality, put in place privacy and anonymity policies, and carefully implement practices to protect employee data from theft and abuse. The team should be cross-functional to ensure that there is a shared sense of ownership and responsibility across departments. Advanced companies now have governance teams that make sure all people-related data are coordinated as the company reorganizes, acquires others, and implements new systems.² These kinds of transitions should be predicated on a cross-organizational universal dataset, otherwise your organization could run the risk of making talent decisions with disparate data – where there is no way to show relationships between datasets.

□ Facilitate education to make predictive data everyone's priority.

To ensure high-quality data inputs are consistently submitted and collected, data governance teams need to own educating HR's stakeholders to clean and maintain data accuracy and consistency across HR and operational data stores.²



New Rule #3:

Make the C-Suite Your Biggest People Analytics Champions



The Current State

When there is little intentionality put into ensuring that HR data is clean or reliable, this can compromise the C-suite's trust in the data. As mentioned previously, only 15 percent of organizations believe their HR teams have strong credibility in talent metrics and analytics today.⁴ Only 8 percent of organizations report they have usable data.² No wonder the C-suite is so hesitant to increase their reliability on people metrics when making critical decisions.

Other senior business leaders may be reluctant to increase their dependence on people analytics because they may not see it as insightful or valuable as other types of data, like sales pipeline data or earnings reports. This likely results from people analytics teams operating "in their own lane" without consistently consulting with the C-suite and ensuring their business objectives have a clear people data strategy tied to it.

People analytics teams require strong technical skills – more than 70 percent of organizations with mature analytics teams (those that focus on predictive analytics, rather than basic operational reporting) have personnel with expertise in statistics, database, and data visualization, and more than one-half have staff with an IT background.⁴

People analytics teams can have all the talent in the world, but if they don't have buy-in from senior leadership, they aren't going to go very far.

Because people analytics teams focus on building teams with domain expertise, one of the biggest gaps ends up being the ability to "tell the story" behind the data, so that business leaders can quickly grasp the implications. While in the trenches of analyzing complex data themselves, people analytics teams may not keep in mind that C-level executives do not have the bandwidth to get in the weeds of people data – what they need is a clear definition of problems that come to light in data analyses, and how to approach a data-driven and predictive solution.

Only 15% of organizations believe their HR teams have strong credibility in talent metrics and analytics today.

Only 8% of organizations report they have usable data.

What Great Looks Like

At the end of the day, the function of a people analytics team is to enable business leaders to make data-driven decisions. For that reason, people analytics cannot be successful without C-suite engagement and buy-in.

People analytics teams need to understand that C-suite executives have a lot on their plates and can't always spare the bandwidth to take deep dives into data analyses. Hence, storytelling must become a central component to analytics teams' communication abilities; our minds are built to grasp stories quickly and consistently, providing a shortcut to relating ideas from one person to another. Senior leaders are no different.

But even the best stories won't engage the C-suite if your people analytics team



isn't speaking to the pain points that senior leaders are acutely experiencing and desperately trying to solve. People analytics teams need to be involved in executive-level goal planning conversations to gain a deep understanding of the problems your organization is facing, and how a data-driven talent strategy can be devised to align with the organization's key objectives.

People analytics in more and more organizations is shifting from "pull" to "push," where the analytics team no longer simply builds models and does projects, but now develops dashboards and tools that help managers see relevant data in real time.² The focus on storytelling, alignment, and anytime accessibility enables business leaders to feel less burdened and overwhelmed by complex data, and empowers them to feel a greater sense of ownership and authority over the data findings.



Next Steps

Meet regularly with key stakeholders.

Your people analytics team should not be working in a silo; to collaborate effectively with key stakeholders, set up a regular cadence of meetings between the analytics team and key business leaders. Your analytics team should come expecting to share relevant findings, but also come prepared to listen to business leaders' needs.

Create dashboards.

Create self-service, customizable dashboards for business and HR leaders to display data findings. These dashboards shouldn't replace regularly cadenced meetings between people analytics and business leaders, but should rather provide a common foundation and jumping-off point that enables both people analytics personnel and C-suite executives to come to these meetings prepared to have a conversation, rather than just one group presenting to another.

Hone storytelling skills.

Storytelling is no longer a skill that only your organization's marketing and communications teams need to possess. People analytics team success is inseparable from business leaders' understanding of what the data is saying, which means that people analytics personnel need honed communication skills. This is especially true when it comes to storytelling and its various elements – things like starting with a hook, how to set-up a problem, and how to communicate a resolution. There are many ways your people analytics team can develop their storytelling skills. Your marketing and communication teams are your in-house storytelling experts; take opportunities to learn from them – perhaps in cross-functional meetings, lunch and learns, or job shadowing. Encourage your team to seek storytelling development opportunities that pique their interests. Classes that teach storytelling-rich activities like video editing or stand-up comedy are all avenues by which your analytics team can become better storytellers.

Party Ready
Start your Adventure!



New Rule #4:

Engage Employees Like Never Before

The Current State

When making decisions to implement people data collection and analysis, deliberating how people analytics will affect the very people involved tends to be the very last thing to be considered.

Only 30% of executives whose companies use workforce data reported being highly confident they were using the data responsibly.¹² That's concerning, considering businesses risk 6% of current revenue growth if they lose the trust of their people.¹² Establishing trust and transparency with your workforce before using their data to make critical decisions is necessary to avoid the implications of employee push-back and skepticism.

With recent data privacy and security scandals that have had consequences like potentially swaying elections,¹³ people are understandably more wary than ever to willingly make their data available, especially to their employers. For many organizations, when it comes to people data, there is no equivalent to an extensive terms and conditions contract for employees to sign like they would if they were downloading an app. Protection of people's work-related data lags behind that of consumer-related data.

What Great Looks Like

Business leaders may assume that more transparency on data collection will result in more blow-back from employees, but that doesn't necessarily have to be the case. 90% of employees are willing to let their employers collect and use data on them and their work if they benefit in some way.¹² Leaders and people analytics teams need to understand that an equitable exchange must be implemented when gathering workforce data.

For example, if you're gathering employee psychometric data through an assessment, simply providing an employee with a "thank you" landing page after they've put a lot of time and effort into completing the assessment may leave employees feeling frustrated and even annoyed. Instead, you can leave them with a profile that gives them insight into their top talents, and suggested career advice and development opportunities based on their data.

In the previous section, we talked about creating dashboards for high-level leaders to improve transparency and ownership. Similarly, employee-facing dashboards that use data to motivate (not penalize) your workforce can establish trust with your employees and provide a positive employee experience.

Ultimately, whether your employees are bought-in to willingly contribute their data will come down to your company culture. If your culture lacks transparency and communication, your employees will be more hesitant to give their information to a "black hole" of uncertainty. However, organizations with mature people analytics processes are 3X more likely to have senior leadership frequently communicate the importance of data-driven decision-making.¹⁴ Senior buy-in is not just critical



90% of employees are willing to let their employers collect and use data on them and their work if they benefit in some way.

for analytics teams to be successful, but it's also necessary for employees to thrive, too. When executives are bought-in, employees are bought-in.

Next Steps

Develop the right culture.

Without a culture of data-driven decision-making, all other efforts to collect and analyze your workforce data runs the risk of being held up by employee push-back. Building this type of culture should start with clear and frequent communications from senior leadership about the importance of data-driven decision-making. Next, senior leaders should encourage an environment that supports continuous experimentation in analytics (mature organizations are 3X more likely to have an organization culture that encourages continuous experimentation with analytics tools, models, and approaches).¹⁴ As C-level executives begin to see the results of a more analytics-driven company culture, it will encourage them to continue communicating its importance, which will then continue to feed an environment of experimentation, and the cycle continues.

Provide ways for employees to benefit when they contribute their data.

When employees receive some sort of value for contributing their data to your company, they are far more likely to provide that data willingly. It's important to note that this data must be visible in a way that motivates, not penalizes. For example, if your organization was to collect productivity data and hold it over an employee's head to threaten demotion, that employee's trust would be compromised instantaneously. On the other hand, you could use a psychometric assessment to gauge employees' talent data when they step into a role, and then provide them access to an internal job openings dashboard that gave them visibility to other jobs within the organization where they would be a good fit, encouraging employee-driven internal mobility. The result is a far more positive employee experience.

Drive data security & governance.

While having a level of transparency with their data, employees also want to know that there are checks and balances in place to keep their data secure and private. Ideally, a C-level executive would be accountable for ensuring that workplace data and technologies are used in a responsible and ethical way. But less than 20% of organizations have C-level executives in charge of this today, although another 48% reported having plans to change that.¹² Organizations should also leverage employee insight to direct how systems are designed and used.



Conclusion

If the “old rules” of HR analytics are all about identifying inefficiencies and gaps internal to the HR team, the “new rules” entail seeing the bigger picture – understanding how people are making an impact on the business today, and how predictive analytics can prepare your workforce and your organization for tomorrow. In other words, in order to get a seat at the table, HR and People teams need to start thinking like business leaders.

Future-proofing your organization with data in anticipation of the oncoming disruptions spurred by automation starts with asking the questions that move your analytics strategy from reactive to proactive. Mature organizations must move from being satisfied with basic operational reporting; instead, that level 1 data collection should provide a foundation on which predictive and prescriptive analytics can build upon. HR teams need to start asking questions like, “What predictions can we make today that will give our organization a competitive advantage tomorrow?” “What are our competitors doing and how can we stay one step ahead?” “How can we predictively get the right people in the right jobs of the future?”

To begin to answer these questions, people analytics teams need to start focusing on quality, universal data that can be transferred across business units. In an era where career ladders become career lattices, and career paths become more unconventional and unpredictable, objective, holistic, and scalable datasets that are universal across your organization will become more important than ever before. Ensuring this data is clean and reliable is essential to establishing the C-suite’s and employee’s trust in it. To further secure C-suite buy-in, people analytics teams need to come to senior business leaders willing to learn the pain points that keep them up at night, and brush up on their storytelling skills to present findings in a way that leaders can easily grasp on to. To further secure employee buy-in, people analytics teams need to ensure transparency and an equitable exchange of value in return for employee work-related data.

As the future of work disrupts the workforce of today, HR and Talent leaders will find themselves with a seat at the table more and more. HR will progressively be viewed as a strategic business driver.

We are on the cusp of a new era when it comes to the role and perception of HR from cost-center to profit-driver – and adopting the “new rules” of HR analytics is step number one.

In order to get a seat at the table, HR and People teams need to start thinking like business leaders.



References

1. [LinkedIn Learning, “Introduction to People Analytics.”](#)
2. [Deloitte, “People Analytics: Recalculating the Route \(2017 Global Human Capital Trends\).”](#)
3. [World Economic Forum, “The Future of Jobs 2018.”](#)
4. [Bersin by Deloitte, “High-Impact Talent Analytics: Building a World-Class HR Measurement and Analytics Function.”](#)
5. Jenny Dearborn and David Swanson, *The Data-Driven Leader: A Powerful Approach to Delivering Measurable Business Impact Through People Analytics.*
6. [Plum, “Plum’s Talent Model.”](#)
7. [Rise Performance Group, “The 4 Most Useful HR Metrics for the Future.”](#)
8. [Deloitte, “The Corporate Lattice: A Strategic Response to the Changing World of Work.”](#)
9. [Blazent, “Seven Characteristics That Define Quality Data.”](#)
10. [Plum, “The Science Behind Ultraviolet.”](#)
11. [Plum, “The Three Things You Must Know About Selection, According to I/O Psychologists Schmidt & Hunter.”](#)
12. [Harvard Business Review, “How Companies Can Use Employee Data Responsibly.”](#)
13. [Wired, “How Cambridge Analytica Sparked the Great Privacy Awakening.”](#)
14. [Deloitte, “People Analytics Maturity: Top Findings from High-Impact People Analytics Research.”](#)