VISIER

THE ULTIMATE GUIDE TO GETTING STARTED WITH PEOPLE ANALYTICS

From gathering data to impactful business insights

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Leading your people and your business—together.

People analytics (also called HR analytics or workforce analytics) is the practice of collecting and transforming HR data and organizational data into actionable insights that improve the way you do business.

Many business leaders assume that people analytics soley help HR functions, but in reality, these insights impact every department and can be used by every people leader. People are the center of the business, and make a major impact on the business. Employees create products, deliver services, convert customers, and solve complex problems. And, the business has a major impact on your people: from company culture to learning opportunities; in diversity, equity, inclusion and belonging (DEIB) initiatives and career development pathways; and in compensation to happiness.

People analytics gives you the information you need to make data driven decisions that impact your organization's most important areas: your people and the organization's financial health. The answers gleaned from people analytics help every manager—and the entire workforce—function better.

While organizations with the most mature people analytics practices stunningly outperform benchmarks[1], you don't have to be a people analyst to use people analytics. With better access to people data, 70% of executives say they could make better decisions, faster[2]. It's never too late to get started. Here, we've broken down everything you need to know about people analytics so you can determine if your organization is ready, understand the different people analytics solutions, and learn tips to implement people analytics in the organization.

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> A key early decision was to use Visier as a business tool, not just an internal HR tool. While HR needs to have it, our key stakeholders are the managers and leaders running the business. Visier enables everyone to ask and answer questions themselves using data.
>
> **RJ Milnor**,
> People Analytics, Uber

CHAPTER 01
How it works: The people analytics recipe

People analytics pulls raw data from the digital HR tools your organization is already using and applies algorithms, calculations, and machine learning to create charts and graphs that every leader can use to make talent decisions.

The **three main components** of **people analytics** are **data, analytics,** and **insights.**
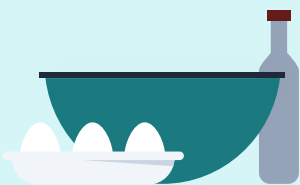
1 Data

Your HR data forms the raw ingredients of people analytics. People analytics extracts this information via API from your digital HR tools (HRIS, HCM, ATS, payroll, etc.) and transforms it using data science.

2 Analytics

Your people analytics platform operates like your own in-house HR data analyst. Using complex equations, algorithms, & machine learning, analytics transform your raw data into something much more digestible: insights.

3 Insights

Your people analytics platform presents insights in a consumable way. Rather than looking at raw numbers, you'll see charts, graphs, questions, answers, and guidebooks that are easy to understand and action on.

CHAPTER 02
The benefits of using people analytics

Many organizations rely on the kind of one-dimensional workforce metrics that do very little to deliver true insight into the root causes of problems instead of analytics. A report on hundreds of employees, for example, only tells you about hundreds of employees—not why people are leaving the organization or why absenteeism is on the rise.

Bad hires, regrettable attrition, cost overruns, and low productivity are just a few of the daily challenges HR leaders face—which people analytics can help. Deciding how to tackle these issues is not easy: when it comes to human dynamics, things aren't always what they seem.

People analytics is the difference between guessing and making fact-based decisions.

With people analytics, you can proactively deliver important business insights to your CEO and key stakeholders by digging deeper into strategic HR metrics, such as:

- Revenue per employee
- Workforce effectiveness
- Employee burnout
- Rehiring trends
- Manager effectiveness
- New hire failure rate
- Total cost of workforce

Consider a key question:
"Which high-turnover roles have increasingly high time to fill?"

Working with a generic data warehouse, the HR analysts would need to complete these steps manually:
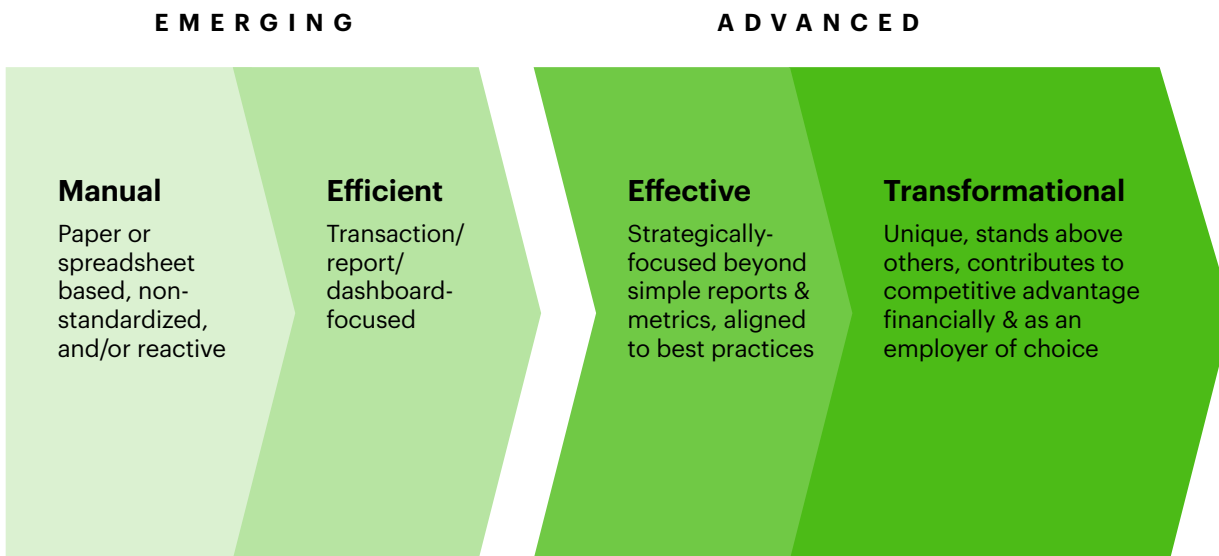
1. Define how this metric is resolved and determine the required information.

2. Qualify which types of roles are included or excluded from such considerations.

3. Collect and load this information over time and apply a rigorous analytical model to resolve the calculation across that history, to show a trend for each job role and determine whether the time to fill is trending upward.

Every step in that delivery needs to be handcrafted and then validated—just to answer a single question. Once the data is in the system, data scientists still have to further clean the data. By the time the process is complete, requisitions may have closed because the job disappeared. These tedious manual processes make it easy for teams to lose sight of the true business question at hand. **With people analytics, every key stakeholder, business leader, and people manager can ask and answer key questions quickly and easily with decision-ready insights.**

It's important to recognize the real risks and costs of simply keeping the status quo and instead of investing in people analytics. When hours of your time are being lost to reporting and spreadsheets, your company is losing out on the insights which could be guiding your organization's workforce strategy.

How does your organization currently use people analytics?
Compare your organization's maturity to the chart below.

EMERGING

ADVANCED

Manual
Paper or spreadsheet based, non-standardized, and/or reactive

Efficient
Transaction/ report/ dashboard-focused

Effective
Strategically-focused beyond simple reports & metrics, aligned to best practices

Transformational
Unique, stands above others, contributes to competitive advantage financially & as an employer of choice

People Analytics Process Maturity

CHAPTER 03

Getting started with people analytics

First, determine how your organization will use people analytics at its current stage and as it scales. Define the strategic questions you need answered—this will help you evaluate what you need in a people analytics solution. Organizations do need a proper platform, not just another business intelligence (BI) tool. It can be tempting to take the build-your-own approach when it comes to getting started with people analytics. But, there are a lot of hidden costs, inefficiencies, and limitations to DIY platforms.

Visier People® is an open platform designed to help organizations accelerate their people analytics strategy, particularly in areas where other systems and analytics processes fail or fall short. A people analytics platform doesn't just show data, it helps you answer questions and understand the "why" behind them.

Getting started is easier than you might think. Many questions can be answered with just seven data points for each employee who will be included in the analyses:

1. A unique employee ID
2. Start date
3. Job title
4. Department name
5. Location
6. Identifiers for DEI purposes
7. End date (if applicable)

Go from **disconnected data points** ... ➡ ... to **meaningful insights**

Employee ID

Start Date

Job Title or Family

Department/Organization

Location

Gender

End Date

Exit Reason

How do starts and exits impact overall headcount?

What are the trends for different exit types?

Which supervisory groups have the highest volume of employee exits?

What are the demographics of employees who exited voluntarily?

The real cost of DIY

Is your HRIS system enough? Probably not. Organizations that are more proactive about extracting and analyzing people data sometimes take a DIY approach to building analytics features, but, in the end, they still aren't achieving real value. A new HRIS project puts years between you and people analytics, and you may end up focusing your efforts on automating processes that are no longer working for you.

A pre-built solution such as **Visier People** that requires only data onboarding and security configuration is designed to easily plug into your existing data and analytics fabric. When that is complete, your organization is ready to take advantage of the ready-to-use questions and analytics to improve decisions related to talent acquisition, diversity, employee mobility and retention, compensation and more.

Some companies choose to build their own people analytics platform. When deciding whether to build or buy a people analytics solution, organizations must first consider five questions:

1. **Opportunity Cost:** What is the opportunity cost of building people analytics in-house?
2. **Data Lifecycle Management:** What technology, policies, and procedures do you have in place to manage and control what happens to your people data?
3. **Total Cost of Ownership:** What is the total cost of ownership (TCO), including maintenance, and labor?
4. **Time-to-Value:** What is the projected time-to-value (TTV) for the project?
5. **Internal Rate of Return:** How does the internal rate of return (IRR) compare to a purchased solution?

According to Gartner, **70-80% of corporate BI projects fail,** and over **50% of data warehousing projects fail**.

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"By the time we would have had something almost comparable with Visier up and running, we would have been outdated already. Investing in a best-of-breed and very focused talent analytics solution will help us move quicker and deliver best practice in the long term."

Ampie Swanepoel,
Head of Reporting & Analytics,
Human Capital,
Standard Bank Group

How to get started with a people analytics platform

Visier has helped many companies get started on their people analytics journey. An organization's people analytics team usually implements Visier. These teams are often small, with just one to two members, so Visier provides crucial support in onboarding. Our experience shows a strong foundation of employee training and education was one of the most powerful steps companies take to ensure maximum value with Visier.

To first onboard their data, these teams partnered with the owners of their existing applications—ATS or HRIS. Once the content in Visier (reports, dashboards, metrics, and analyses) was available to roll out, the people analytics team worked with stakeholders to determine which content would make Visier more impactful to them.

Best practices for implementation and enablement

1. Get your data in order.
Establish consistent data standards and build with your existing data privacy policies in mind.

2. Prioritize who gets access first.
Newer people analytics users typically start with HR and Recruiting teams while experienced users expand access to all managers. Many Visier customers have thousands of regular users within their organization.

3. Train users based on what they need to do their job well.
Focus on the minimum data needed for decision making instead of placing unreasonably high expectations on your users. Support staff as they learn, so that they don't feel confused, discouraged, or overwhelmed by the large amount of information available within the platform.

4. Make people analytics the everyday go-to source.
Customers reported that a key benefit of Visier is having access to data whenever they need it, such as during meetings with executives to explain what's happening in their department with confidence and accuracy. Using Visier as the main source of information builds familiarity and competence as well as ensuring accurate and consistent data.

"I fundamentally believe it's our job as HR analytics practitioners to help the C-suite understand the challenges of the workforce. Not just as they see it—but as the individual contributors, as the frontline workers see it. And without people analytics, it's really hard to do that in a large organization."

Lydia Wu, Director, HR Strategy and Technology, Panasonic

How to build a people analytics dream team

A good people analytics team can make a huge difference in how well your organization uses people analytics insights. Ideally, the people analytics team should report to the CHRO. Here, we've broken down the critical roles within the team, as well as additional roles you might consider.
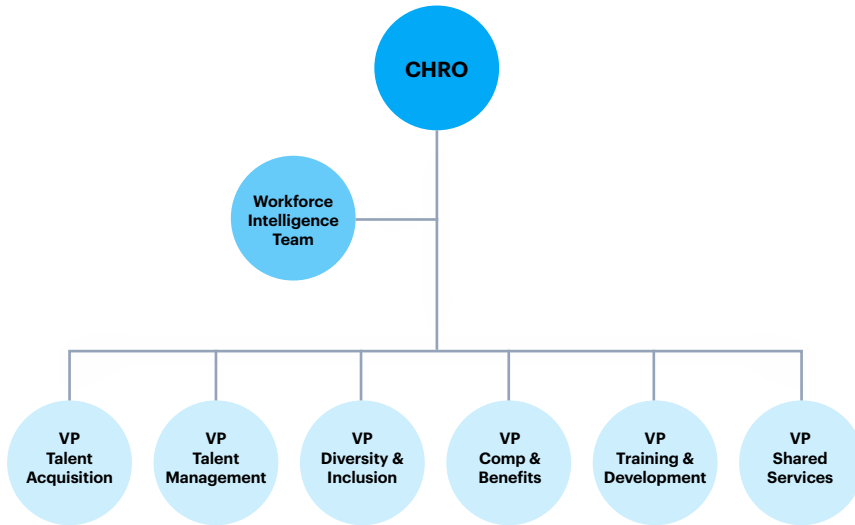
The optimal people analytics team structure

- **Head of People Analytics** This role needs to be considered separately from roles that are more focused on execution. A strong people analytics leader proactively engages with their peers across functions to elevate the role of people analytics in the business.

- **People Analysts** engage with specific stakeholder groups to understand the business challenges and how different workforce levers impact these groups.

- **HR or People Data Scientist** supports the analyst with the more advanced aspects of extracting insights from people data. Senior leaders typically lack confidence in HR's numbers, and the right HR data scientist has the skills and expertise needed to produce forward-looking answers that will guide the business.

Medical supply and distribution giant McKesson began their people analytics journey by establishing a workforce intelligence center of excellence. One of the biggest values Visier adds is getting information to the groups that need it most. McKesson has been able to double Visier utilization since they can concentrate on a core set of tools and communicate in one voice, in an advisory capacity. This has enabled:

- Removal of redundant activities, eliminating about 1,000 hours of extraction, reporting, and analytics work in the first six months

- Delivery of actionable information to the business units and decision makers that need it most

- More business insight and career opportunities for analytics teams

- Accelerated workforce intelligence innovation

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"By increasing the consistency of our tools and processes across the enterprise, we create the space for the business to be different where it matters."

Vice President of Workforce Planning and Analytics, McKesson

Additional roles to consider adding to your people analytics team

- **HRBP Manager** works to deliver people insights to the rest of the business. Developing the capability of all HRBPs to be more data-savvy means they can support the organization with people analytics.

- **People Data and Integration Architect** supports the analyst with the more technical aspects of storing and integrating people data from different systems. This role is valuable to the team, but is often done by IT.

- **Business Champion** is not a formal member of the people analytics team, but is someone who has close ties to the team and acts as part of a network that advocates for it within their business unit.

CHAPTER 05

How to improve people management with people analytics

The future of management is augmented with data. Data doesn't replace managers, but in the same way that athletic performance is augmented by training and competition data, so too will people managers and their teams be made better, faster, stronger with access to insights. People analytics puts actionable insights in the hands of your people managers.

Five hundred managers taking one smarter action—for their people—every day delivers exponentially better business outcomes compared to limiting access to only HRBPs and executives. People managers must make daily decisions about their direct reports. They have complicated questions to answer like:

- Should I be more proactive about retaining certain people?

- What capabilities does my team lack that will help us hit our goals?

- Who deserves a promotion and will they continue to succeed?

Many business challenges can be solved by people—with their skills, capabilities, and energies as the solution. But business and talent decisions should not be based on instinct alone and should instead incorporate data and data-derived insights.

Five ways using people analytics improves people management

1. **Retention:** Predict regrettable attrition and take action to prevent and mitigate causes.

2. **Talent acquisition:** Knowing average time to fill as well as comparing against benchmarks to accurately budget for additional headcount.

3. **Rewards and recognition:** Which rewards and recognition programs have the greatest affect on employee engagement?

4. **Skills development:** Which skills will be needed on your team in the future and do you have the resources to develop them in-house?

5. **Performance management:** Identify leaders and high-potential employees for internal mobility.

With better access to people data, **70% of executives** say they could make better decisions, faster.

Source: Visier Deloitte People Cloud Survey 2022

CHAPTER 06

How to protect employee data privacy with people analytics

Some of the world's largest companies center around monetizing the data harvested from our personal devices, our trail of electronic transactions, and data from other sources. Small businesses and countless startups turn our personal data into customer insights, market predictions, and personalized digital services. For decades, these companies operated largely without oversight. But now, because of consumer mistrust, government action, and competition for customers, those days are quickly coming to an end.

Today, more data exists about how we work than ever before. If analyzed properly, this data provides valuable insights about the trends, forces, and inequalities shaping today's workforce. Just as in the consumer space, organizations have the obligation to protect their employees' privacy and sensitive data.

> **An Insight222 survey with 57 companies showed 81% reported that their workforce analytics projects were sometimes or often jeopardized by data ethics/privacy concerns.**

What is the solution? According to Dirk Peterson, renowned HR strategy expert, every company needs to have clear guidance and alignment around the employee data it should collect, especially how it should collect, analyze, store, use, and distribute it. HR data is probably the most sensitive dataset in a company, second only to financial data. HR data is incredibly personal and contains personally identifiable information. Compensation is also sensitive company data. The way a company pays its people is a proprietary part of its business strategy.

A core pillar of Visier's solution is our data security model. This refers to the access side of security—making sure sensitive data can only be accessed by the people within the company who need it, and who have the right permissions at the right time.

Content is also sensitive information, and another layer in our security model. Here's a simple example of the difference between content and data: An employee's date of birth is a piece of data. From it, we can calculate content such as age, age range, retirement eligibility, and their generation. Content is data in context.

Protecting employee data

Visier data privacy experts suggest these three key data accountability principles to be considered by any organizations operating globally:

1. **Data minimization:** Collect only the minimum amount of information you need to fulfill the identified purposes.

2. **Transparency:** Be clear in advising individuals about why you are collecting their personal data.

3. **Safeguard the data:** Implement reasonable security safeguards to prevent unauthorized collection, access, use, and disclosure of the data.

Balancing anonymity and utility

Anonymity is very important when working with datasets such as those Visier uses to generate insights. However, since data's value lies in its ability to provide specific details, systems must balance risk and utility.

When choosing a people analytics solution, look for one that embeds privacy considerations and requirements in the platform. When it comes to anonymity, look for a solution that removes identifying information, such as personal information or employee ID numbers, normalizes numerical values, such as start and exit dates, and establishes k-anonymity.

Data privacy in action

Merck KGaA put on enablement classes with managers, where they dealt with the potential legal pitfalls of data access, especially in the United States. Attendees were taught that Visier contains sensitive employee information and were provided with the following principles, that while specific to the use of Visier, serve as astute advice for protecting data access in the US:

1. Do not share Visier data, analyses, or reports internally unless the recipient has Visier privileges and a legitimate business need to know the information.

2. When sharing Visier data, analyses, or reports internally, always share it within the Visier system. Do not download, save, or print the information.

3. Never disclose Visier data, analyses, or reports externally, unless pre-approved by Legal.

Employee Data Collection Best Practices

Be transparent with employees about data collection

Keep strict policies on data collection privacy & usage

Ensure legal compliance

Limit those who have access to employee data

Data security is a priority

Common types of employee data

Personnel information
Employment details
Job details
Skills inventory
Salary data
Benefits information
Performance data
Employee survey data & feedback

Audit & delete unnecessary information

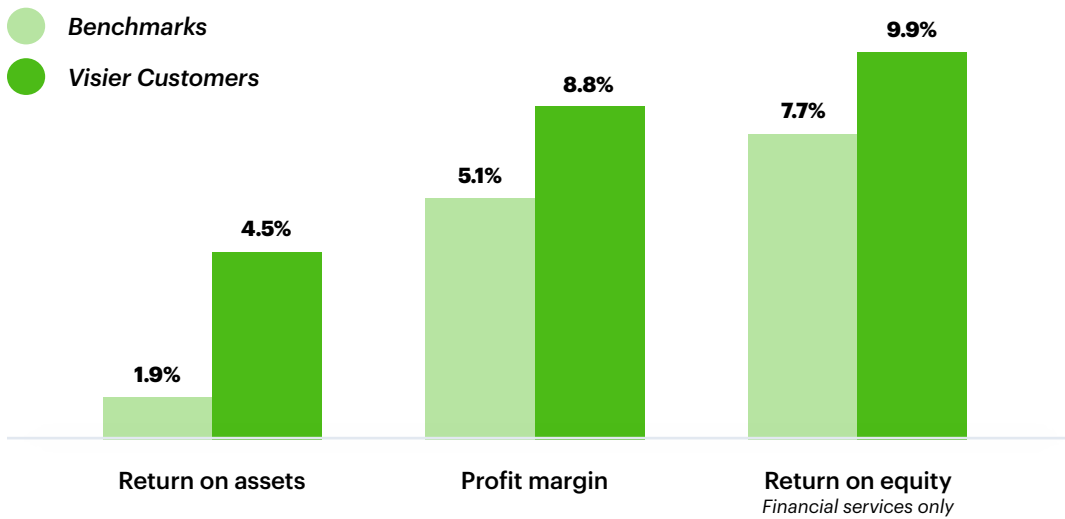Ethics come first

View employee data holistically

Putting it all together

We know this is a lot to digest! People analytics is a journey, with increasing stages of maturity granting increasing benefits. Adopting people analytics solutions leads to improved financial outcomes through better human resources, talent, and business results.

Visier customers have higher ROA, profit margins, and ROE than industry benchmarks

● *Benchmarks*

● *Visier Customers*

Return on assets
- 1.9%
- 4.5%

Profit margin
- 5.1%
- 8.8%

Return on equity
Financial services only
- 7.7%
- 9.9%

People analytics systems don't replace HR or leadership, but augment them. No technology can replace human judgment and decision making. Business issues are complex, and people are complex. It's critical to understand the impact that people have on the business, and the impact the business has on people. Using people analytics to put the right insights in the right hands will make every leader more effective, from team leads to CEOs.

Real outcomes of businesses using **people analytics**

Providence **saved millions of dollars in turnover** through targeted pay increases

NCI **reduced time to fill** by nearly **40%**

Snap Inc. used people analytics to successfully **meet ambitious DEI goals**

The getting started checklist

Here are the top questions to answer when you're getting started with people analytics:

Big picture goals

☐ What strategic business questions do I need to answer now?
And, what will I need to answer in the near future?

People and business outcomes

☐ Can the solution combine people data and business data, wherever it lives, to share insights securely with people leaders?

Connect to business results

☐ Can you connect specific workforce metrics—such as resignation rate, absence days, employee engagement, or staff tenure—to overall revenue to see their impact?

Data access

☐ Does the solution provide for the integration of data from multiple systems (e.g. HRIS, performance management, compensation, applicant tracking, etc.)?

Data privacy and security

☐ Can data access privileges be set up based on roles, for individuals, and with bulk change handling?

Visier has helped many companies begin their people analytics journey. Whether you want the entire suite of **Visier People** products or just something to help with a specific concern, we have experts that can walk your teams through every step of the process.

Schedule a demo today to see how it works.

Endnotes

1. 2021. Visier. The Age of People Analytics 2021.
   https://hello.visier.com/people-analytics-maturity-value-report

2. 2021. Visier. The Future of People Management.
   https://hello.visier.com/the-future-of-management-report.html

3. Petersen, D. Data Ethics: 6 Steps for Ethically Sound People Analytics. Visier.
   https://www.visier.com/blog/six-steps-ethically-sound-people-analytics/

About Visier

Visier's purpose is to reveal the human truth about your workforce and contribute to a better future.

Visier was founded to focus on what matters to business people: answering the right questions, even the ones a person might not know to ask. Questions that shape business strategy, provide the impetus for taking action, and drive better business results.

Visier delivers fast, clear people insight by using all the available people data—regardless of source. With best-practice expertise built in, decision-makers can confidently take action. Thanks to our amazing customers, Visier is the market leader in Workforce Analytics with more than 15,000 customers in 75 countries around the world.

For more information, visit **visier.com**

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