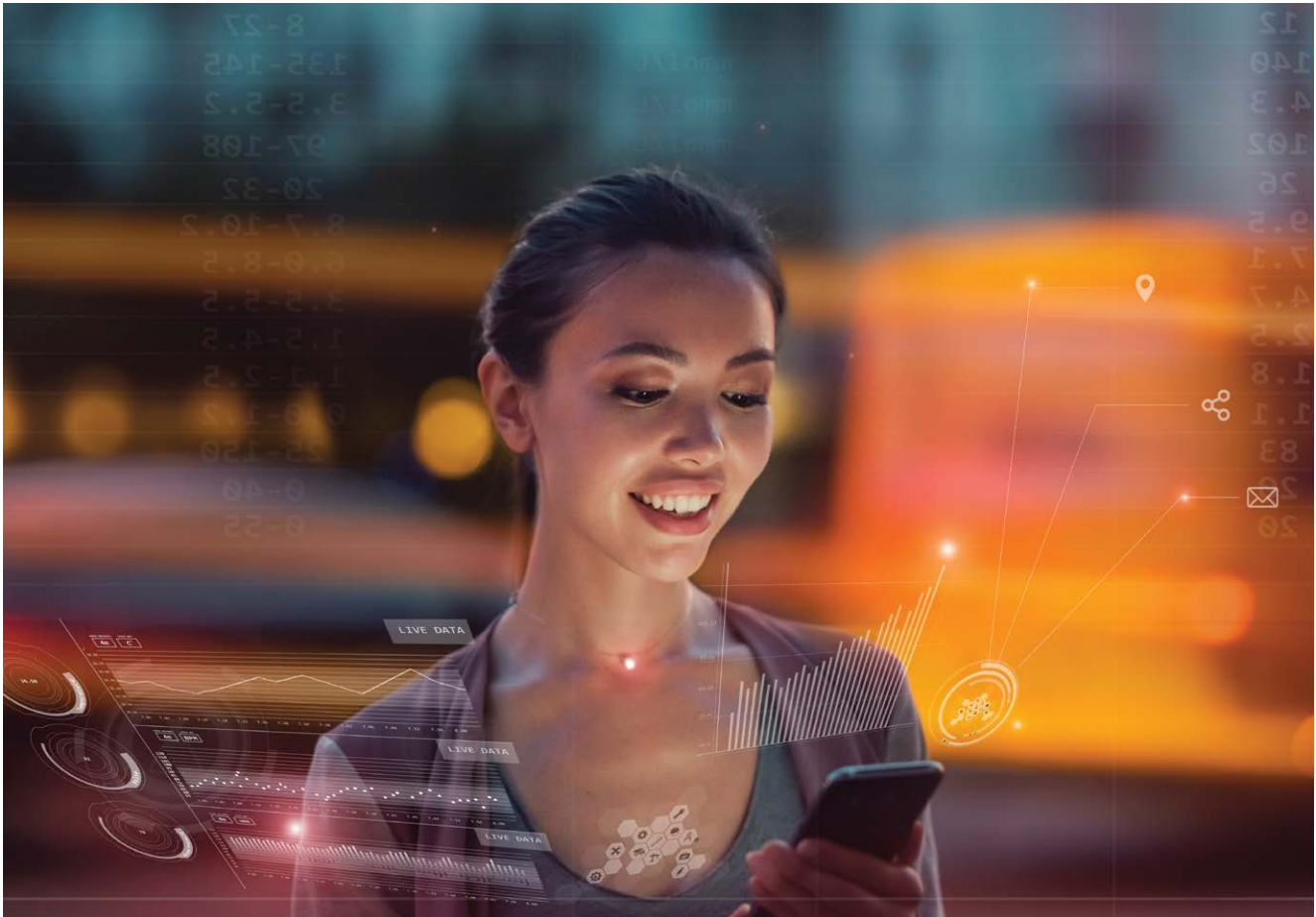


How Analytics Is Elevating Human Resource Management

BY BRAD KILLINGER



For many years now, employee engagement has been a board-level priority, but of late it's become a business imperative of the highest level. A Gartner study from December 2018—the firm's quarterly Global Talent Monitor—found that only 53% of workers worldwide plan to stay in their current jobs. Researchers attribute U.S. workers' willingness to be more proactive in their job searches to strong economic conditions and a hot job market. This scenario is causing organizations to work harder to ensure

the employee experience is both fulfilling and rewarding.

Winning in the marketplace starts with winning in the workplace. That's according to a recent study from West Monroe Partners, where a majority of business professionals surveyed indicated that an empowered workforce is critical to supporting a winning customer experience. The key to an empowered workforce, say researchers, is cultivating a culture of engagement, intentionally designing employee

experiences, and supplying employees with the tools needed to do their jobs.

But how do HR and business leaders move the needle in this area? Free pizza on Fridays or discounted gym memberships are not effectual. While these perks are "nice to haves," it is the actual nature of the work activity that must be improved—not the ancillary elements around it.

Organizations must "get real" about taking substantial steps toward evaluating and improving the employee

experience at work. While companies have embraced the notion of the “data-driven organization,” we must move to the next echelon—the employee-driven organization. To create the employee-driven organization, companies must capture and leverage employee-driven data to see and understand the work experience from employees’ perspective.

Work defies our understanding

The task of improving work starts with benchmarking work patterns today. However, most leaders don’t know how certain processes take place in their organizations.

In a study conducted in 2018, industry analyst firm Level Research (formerly PayStream Advisors) found that 93% of accounts payable (AP) staffers surveyed found fault with their existing AP processes.

In contrast, half of all top executives with the title of CEO, owner, founder, president, or managing partner said they believed their AP current processes “work just fine,” negating the need for any change. The research points to a vast gap in perceptions between C-suite executives and workers on the front lines, who are more intimately familiar with the struggles encountered in day-to-day operations.

In today’s knowledge economy, where work output is no longer solely tied to machines and material, it’s more difficult to qualify and quantify work.

In recent years, we’ve seen a growing importance of technology and tools in gauging employee engagement, including 360° performance appraisals, peer-to-peer recognition programs, and methods to understand the voice of the employee via structured and unstructured means.

Historically, information around work productivity and employee engagement has been captured via manual recording (timecards), surveys, and questionnaires. These methods lack valuable context and timeliness, leaving business leaders to guess/theorize, make assumptions, and/or rely on manual input, the accuracy of which



is dependent on employee compliance and/or the emotion quotient—that is, whether an employee is having a good or bad day and how he or she feels at that moment.

However, to build a true data-driven decision-making culture, businesses must move away from manual self-reporting to automated data capture and analysis. They must find ways of capturing data to formulate real-time and continuous insights to drive better business decision making around what is for most businesses their biggest investment—the workforce.

Analytics: deconstructing the employee experience

Analytics have been used in HR for many years for reporting on recruiting, interviewing, hiring, and exit interviews.

Today, the use of analytics is being expanded to support the business imperative of employee engagement and

employee experience to foster improved retention and development of employees and to ensure a rewarding, inspiring, and supportive work environment.

To this end, a newer type of analytics known as “people analytics” is providing the requisite insights to drive improvements in these areas. And the ability of people analytics to integrate the notion of mental and emotional well-being into performance management is helping organizations create environments where engaged and resilient teams feel empowered to thrive.

People analytics evolved from “workforce analytics,” which focused on repetitive work production in business process outsourcing and call centers. Originally, its primary purpose was in measuring productivity. Today, it has been expanded to encompass a broad range of roles in the organization that focus on nonrepetitive work streams such as

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software development, engineering, and marketing. Also, its adoption, use case, and scope have moved beyond measuring productivity to encompass other objectives, such as the foundation for process improvement, understanding work “wastage,” and employee engagement trends and opportunities. As such, it’s moved from an HR tool to a business transformation tool.

Advanced people analytics measures and analyzes the digital output generated by individual and work group activity. Software automates the collection of the digital signals that an employee emits when using technology and systems and combines them with analytics that equip senior executives with reporting and analysis.

People analytics seeks to understand work from the employee’s perspective: What do employees have to deal with on a day-to-day basis to do their work, and do they have the right tools, the right amount of collaboration, and a conducive and supportive work environment free from distractions to do it? People analytics takes into account work patterns on a day-by-day, or even minute-by-minute, basis.

For the individual employee, people analytics can identify what takes focus away from high-priority work and practices that harm efficiency, such as multitasking and meeting overload. For managers, the data can be helpful to understand and mitigate workload issues by better allocating work and staffing.

Organizations can now uncover bottlenecks and eliminate elements of work that are painful, time-consuming,

and non-value-added, so that people can focus on what they love to do, to ensure a highly engaged workforce. And organizations can refine workflows to make teams more productive to run more lean, productive, and profitable operations. People analytics also enables organizations to compare work patterns across business units, projects, or roles to spot trends to identify best practices and issues such as poor management or training deficiencies.

With this employee data-driven approach, businesses can also take into account employee work pattern data when doing performance evaluation, leadership development, hiring and promotion, and job design, and determining compensation. This transforms HR from subjective to objective and changes the dynamic from oversight (hierarchical) to collaborative. All people policies and processes now revolve around the intersection of employees and work.

Also, as businesses move forward in recalibrating their organizations for the future of work, ushering in artificial intelligence, software robotics, machine learning, and other emerging technologies, successful transformation requires a focus on man and machine and, specifically, the space between them.

People analytics—by minding the gap at the intersection of man and machine—can be especially helpful in providing insights to catalyze workplace automation initiatives and associated workforce modernization.

Given its versatility as an enterpriser multitasker, it’s not surprising that in

Deloitte’s 2017 Global Human Capital Trends Report, more than 70% of companies said that people analytics is a high priority in their organizations. Past performance (when understood) can be used to predict future work/talent trends so that businesses can proactively plan for what’s ahead—in addition to learning from and optimizing around past performance. Since crystal balls are hard to come by in the enterprise, harnessing the predictive capabilities afforded by people analytics can give organizations the next best thing.

Who should own people analytics?

One of the greatest benefits of people analytics is that it enables both HR and functional leaders to evaluate the same data set and be in lock-step to manage and utilize human resources to their full potential. As a result, the technology is being used to support transformational use cases and progressive HR policies (such as work from home) to attract and retain top talent.

As with any initiative that involves data about people (talent), it’s critical for HR to lead and own people analytics initiatives. And due to its ability to drive significant business impact, it presents a tremendous opportunity for HR leaders to take on a more comprehensive focus (and a seat on the board), given they can now offer greater value to the organization.

By supporting rich and ongoing continuous improvement from the employee data-driven workplace, people analytics is helping to guide business on the means to gain competitive advantage through strategic and holistic talent management and improved employee engagement. [AQ](#)

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