

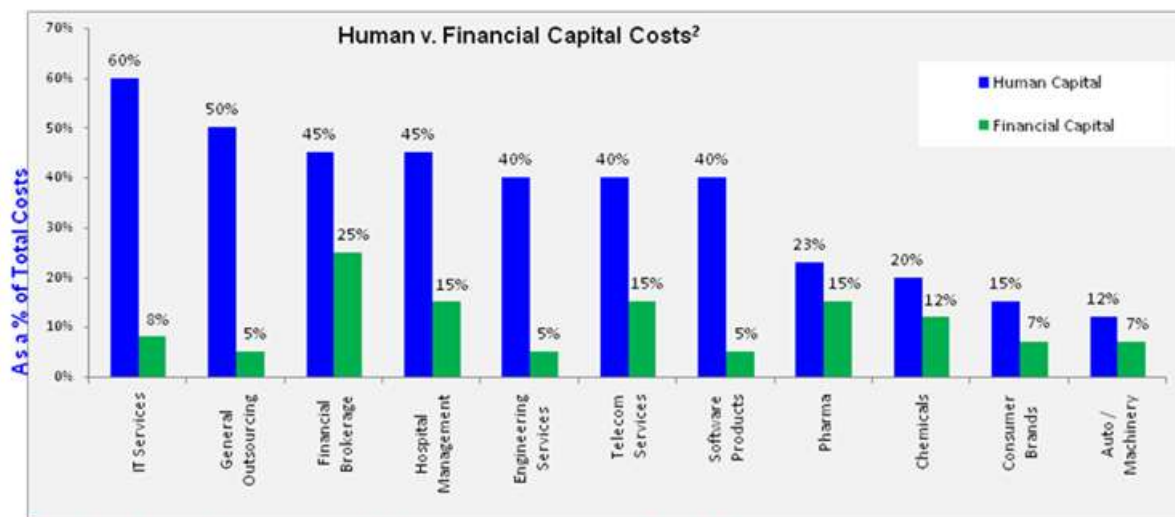
# HR Analytics

Human Resources management including HR Analytics creates more accountability for key assets. Analytics offer us our best chance to measure directly (vs. anecdotally) the impact of our HR work

## Why you should care about HR Analytics

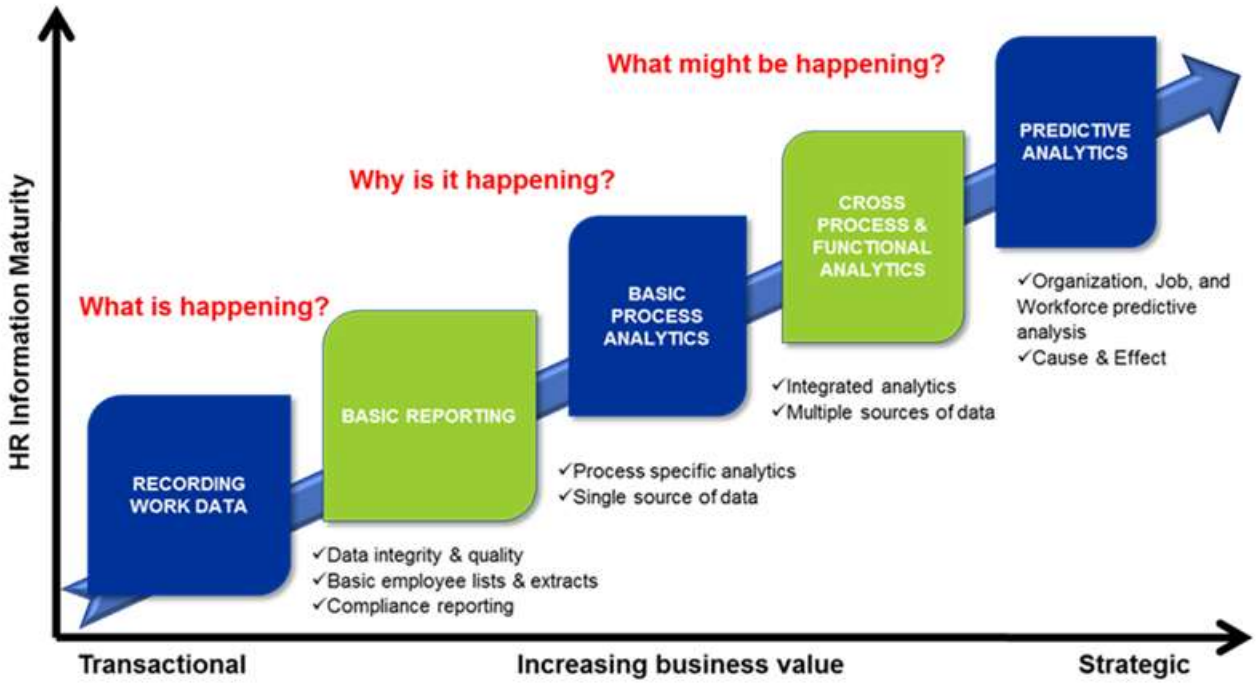
- HR spending on technology has risen tremendously and so has the cost of the delivery.
- The average HR organization wastes up to 56% of its budget on reactive initiatives - not directly linked to company priorities.
- Human Resources management including HR Analytics creates more accountability for key assets.
- Analytics offer us our best chance to measure directly (vs. anecdotally) the impact of our HR work.

**If your instruments were underperforming, wouldn't you want to know about it?**



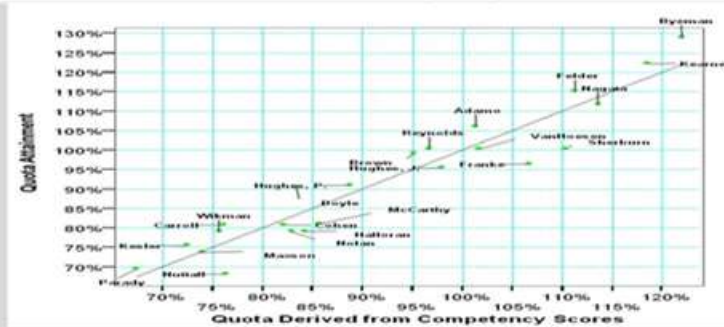
*So, how is your investment in human resources performing?*

**Ascending the value ladder**



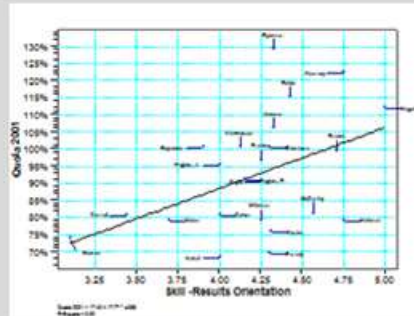
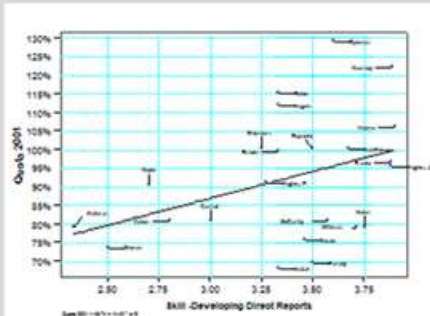
## Examples of Analytics in Competencies and Performance

Overall competency scores account for 91% variation in quota performance.



The relationship between quota performance and ratings on "developing direct reports" indicates on average a .5 increase in skill rating equals a 7% increase in quota performance.

The relationship between quota performance and ratings on "results orientation" indicates on average a .5 increase in skill rating equals a 9% increase in quota performance.



## Another HR Analytics example

The challenge facing HR is the need to provide tactical and analytic HR information pertaining to the business of HR and, more importantly, the business itself.

**Akshay Sahni**

- Employed for 4 years
- Achieved 3 rating last year
- Achieved 3 rating 2 years ago
- HR Department

**Karim Alam**

- Employed for 5 years
- Achieved 1 rating last year
- Achieved 2 rating 2 years ago
- Sales Department

**Syed Nisar**

- Employed for 3 years
- Achieved 2 rating last year
- Achieved 3 rating 2 years ago
- Sales Department

**Key Questions**

- Who is most likely to refer a high performing experienced hire next year?
- Who is most likely to benefit from coaching? Why?
- Who is most likely to voluntarily leave next year? Why?

Traditional HR data sources and analytical capabilities limit the amount and granularity of information. Though the three employees are similar in some ways, can a closer look bring to the surface the different strategies managers can apply to engage these employees in new ways to bring greater value?

Expanded data sources and advanced analytics can improve management insight into workforce data. Predictive models built from many different types of data elements can quantify the likelihood of and predict reasons for future individual employee events.

<b>Akshay Sahni</b> <ul style="list-style-type: none"> <li>▪ Promoted 2 years ago</li> <li>▪ Worked 1975 hours last year</li> <li>▪ Worked 2184 hours in prior year</li> <li>▪ 15 vacation days taken last year</li> <li>▪ 14 vacation days taken in prior year</li> <li>▪ Supervisor achieved 2 rating last year</li> <li>▪ Medium Manager turnover</li> <li>▪ One past new employee referral</li> <li>▪ Commute &gt;25 kms</li> <li>▪ Medium department turnover last year</li> <li>▪ Received recognition award 3 years ago</li> </ul>	<b>Karim Alam</b> <ul style="list-style-type: none"> <li>▪ Promoted last year</li> <li>▪ Worked 2470 hours last year</li> <li>▪ Worked 2500 hours in prior year</li> <li>▪ 12 vacation days taken last year</li> <li>▪ 13 vacation days taken in prior year</li> <li>▪ Supervisor achieved 3 rating last year</li> <li>▪ High Manager turnover</li> <li>▪ No past new employee referral</li> <li>▪ Commute 15 - 18 kms</li> <li>▪ High department turnover last year</li> <li>▪ Received recognition award 2 years ago</li> </ul>	<b>Syed Nisar</b> <ul style="list-style-type: none"> <li>▪ Promoted last year</li> <li>▪ Worked 2210 hours last year</li> <li>▪ Worked 2184 hours in prior year</li> <li>▪ 15 vacation days taken last year</li> <li>▪ 13 vacation days taken in prior year</li> <li>▪ Supervisor achieved 2 rating last year</li> <li>▪ Low Manager turnover</li> <li>▪ Four past new employee referral</li> <li>▪ Commute &lt;5 kms</li> <li>▪ Low department turnover last year</li> <li>▪ Received recognition award last year</li> </ul>
<b>Key Insight</b> <ul style="list-style-type: none"> <li>▪ 25% more likely to benefit from coaching</li> </ul>	<b>Key Insight</b> <ul style="list-style-type: none"> <li>▪ 40% more likely to leave</li> </ul>	<b>Key Insight</b> <ul style="list-style-type: none"> <li>▪ 75% more likely to refer successful new hires</li> </ul>
<b>Top 3 reasons</b> <ul style="list-style-type: none"> <li>▪ Static rating</li> <li>▪ Long commute</li> <li>▪ Medium department turnover</li> </ul>	<b>Top 3 reasons</b> <ul style="list-style-type: none"> <li>▪ Hours worked above average for last 2 years</li> <li>▪ Manager's past retention rate is low</li> <li>▪ High department turnover</li> </ul>	<b>Top 3 reasons</b> <ul style="list-style-type: none"> <li>▪ High number of past referrals</li> <li>▪ Managers past retention rate is high</li> <li>▪ Hours worked average last 2 years</li> </ul>
<b>New actions and benefits</b> <ul style="list-style-type: none"> <li>▪ HR proactively calls Manager</li> <li>▪ Manager and Akshay determine coaching would be beneficial</li> </ul>	<b>New actions and benefits</b> <ul style="list-style-type: none"> <li>▪ HR proactively calls Karim</li> <li>▪ Transfer to a different with more stable manager</li> </ul>	<b>New actions and benefits</b> <ul style="list-style-type: none"> <li>▪ HR proactively calls Syeed</li> <li>▪ Syeed is placed on recruiting committee</li> </ul>

Organizational Development, Competency Development, HR Transformation, Organization Design, Role Mapping, Critical Workforce Segment Identification etc.