



HUMAN RESOURCES ANALYTICS:

Empowering Humans to Build
Better Companies



RISING TO THE CHALLENGE: RECRUITING IN A TIGHT JOB MARKET

Like all resources, human resources can be scarce. Supply and demand wreak havoc on the best-laid plans of companies of all kinds. Even though HR is, by definition, a human-centric profession, the careful application of data, metrics, and analytics can help companies and HR teams do more with less and get the most out of a tight employment pool. A recent [PwC report](#) showed how critical this is: 77% of CEOs reported that they thought that the greatest threat to their companies was a lack of availability of key skills. That's a huge challenge that only HR can solve, with the right analytics.

As if finding top talent in a tight job market wasn't bad enough, retaining and developing employees is another place that HR teams are called upon to support their organizations. Lunch learning sessions and informal mentoring from more experienced workers aren't enough to cultivate the next generation of leaders who will keep a company on an upward trajectory. It takes a level of analysis to understand how to help each team member achieve their personal and career goals and how to slot them into an overarching plan for the company.

Lastly, the C-suite is realizing how important HR analytics metrics are to telling the story of a company's overall health. Besides Sales and Marketing reports, company leaders want to know hiring and attrition numbers and a slew of other HR metrics that can tell them if their workforce is healthy and thriving or if it's in need of help.

The bottom line: Human Resources needs to become something more than human.

HR BECOMES HCM

The world is insanely data-driven, so building a team to tackle the challenges of this new world requires data and analytics. Although there will always be those elements of the HR process that are impossible to quantify, like how people perform during in-person interviews and the niceties of a thorough follow-up letter, there's a lot that analytics can bring to the table that HR teams need to know and take advantage of.

Enter: HCM or "Human Capital Management."

If data is the new oil, then humans are the old oil. Indeed, a company's workforce is the ultimate source of its potential to make money and change the world. And HCM service-provider companies have seized upon this and begun inserting themselves into the HR processes of organizations to help personnel teams bring some data to their hiring decisions. However, these companies often show users only a fraction of the insights they'd need to make the most game-changing decisions. Those looking for more functional analyses need to integrate that HCM data with multiple additional data sets. They need robust analytics solutions that leverage data from multiple sources: HR systems like Greenhouse and Bamboo, LinkedIn data, and more.

DATA AND ANALYTICS + HUMANS

Like every other facet of human existence, the amount of data that HR teams need to handle in order to make smarter decisions has increased dramatically and continues to grow, and shows no signs of stopping. Couple this with a tightening job market and increasing competition to acquire, retain, and cultivate top talent and the expectations heaped on HR teams to give their companies a competitive edge really start to stack up. The tools to succeed should handle tons of data from varied sources, provide game-changing insights, and be easily accessible by non-technical users and able to be customized by builders within the company for added functionality. The right solution also gives HR teams and the C-suite a clear look at the company's HR health at a glance. This combination of data, analytics, and a human touch that only trained HR professionals can deliver will make great teams even better and help them build companies that can stand the test of time.

WHERE HR ANALYTICS CAN HELP

First, let's dig into the four main areas where HR analytics helps teams attack their core business competencies with data and insights: workforce planning, talent acquisition, performance management, and learning and development. It's vital that each HR team figure out the key performance indicators (KPIs) that matter most to their company when setting up their HR analytics systems (dashboards, reports, etc.), but these overarching categories can help guide decisionmaking when figuring out an overall HR analytics strategy.



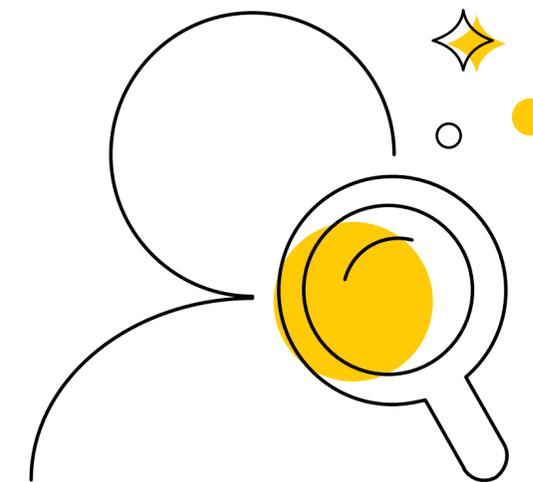
WORKFORCE PLANNING

Building the best workforce at a company doesn't happen by accident. Hard-working HR teams have to answer a lot of questions as they gauge the company's wellness on a regular basis and create a prognosis to base their plans for the year and quarter on: How long are employees sticking around? About how many/what percent leave every year? Which teams/roles have the highest and lowest retention rates? The list goes on and on, but you can see how complicated the variables that HR teams deal with can be.

The goals of every other department also have to be factored into their calculations: the CEO wants to expand and open a new office, that's going to require a support staff and core leadership, but what roles will be based there? Meanwhile, the Sales team just promoted a bunch of low-level reps to Account Executives, so those roles have to be backfilled and maybe the whole Sales org expanded? Meanwhile, one Developer Manager has lost three subordinates in the last year for various reasons, so what's the story there?

These are just a few examples of how involved the workforce planning process can be. It also sheds light on what it's like to work in various departments and can help hiring managers figure out which managers are most well-suited to new hires and which ones seem to be hemorrhaging workers. Is a sub-par manager salvageable or will they need to be managed out themselves sooner rather than later to preserve the health of the overall company? Do you have a star leader who needs to be rewarded and promoted before they start looking for the old "external promotion?" (AKA a better job at a different company.)

Whatever the human approach to these issues and questions looks like, HR analytics can show trends and provide the hard numbers to back up decisions that upper management demands and can help HR teams do their jobs better and keep their sanity.



TALENT ACQUISITION

HR is a place that tech companies have recognized as a huge challenge and a huge growth opportunity, flooding the market with a myriad of tools, apps, and whole platforms to help manage the talent acquisition process. Think of how many job-search sites there are out there (LinkedIn, GlassDoor, Monster, Indeed—Google itself even aggregates job listings), each with its own job-application application, all pulling in data from users and shunting it over to companies. It's no wonder companies need apps of their own to manage all the data that they're flooded with just looking for people in the first place.

Once the resumes have started coming in, HR teams need a way to seamlessly track where each applicant is within the process (phone screen, in-person, working on a test assignment, etc.). This is another place there are a ton of apps and companies vying for space: Greenhouse, Bamboo, Namely, Zenefits...and so many more. But they serve a vital niche: smoothing out the process for applicants and companies alike and pulling in even more data that HR teams can use to make their jobs easier. Knowing how long it takes to go from resume to hired and how many people do (or don't!) make it is vital bit of data to know. Noticing trends about who makes it through your process is another: If only a small percentage of applicants get to the in-person interview, but a high percentage of those in-person candidates are offered jobs, then you can be reasonably sure that the pre-in-person screening process is pretty strong. However, if a lot of people reach the in-person round and aren't extended offers, maybe that earlier process needs to be sharpened up.

HR metrics around talent acquisition can also tell you how you measure up within your industry. Knowing the expected salaries for the various roles within your company and your industry as a whole is important, as well as expected benefits. If a bunch of people you're giving offers to decline, it can be a dead giveaway that what you're offering won't fly in the current environment.

Executive teams want to know this stuff! That's why whatever HR analytics solution your organization decides to use needs to be able to handle data from a wide variety of sources and serve up trends and actionable intelligence to you and the leadership sooner rather than later. It also should be user-friendly and customizable enough for non-technical end-users to work with, as opposed to burdening the Information Technology team with more work, which will also slow down the pace at which HR teams can get the insights they need.

PERFORMANCE MANAGEMENT

Once a new hire starts, everything from their onboarding to their productivity and performance can be measured. Having a baseline for how quickly people ramp up, the challenges they face settling into an organization, and how they handle the ebbs and flows of worklife within the company all shed light on where HR is doing well and where they can improve. Are new team members completing their self-guided onboarding training in a timely fashion, or should the company switch to a boot camp-style training arrangement? Does the first end-of-quarter crunch always result in lower numbers from new salespeople? How can the company prepare for that with support and guidance from leadership?

The right HR analytics solution will surface patterns like this and allow teams to understand what they can expect when new people start and how to help them get ramped up more quickly. It can also help the company steer clear of recurring issues it has faced in the past and help workers achieve their potential instead of banging their heads against the same walls over and over again.

Recognizing patterns can also help companies identify candidates who are most likely to succeed and which ones might be problems down the line. For fast-growing organizations, every new team member is a huge investment, and bringing on the wrong people can get very costly, very fast. Knowing what attributes have made prior hires successful and which kind of people usually wash out can help hiring teams pass on certain candidates and focus on others who will pay off down the line.

On top of all this, HR analytics data is **sensitive!** Many HR analytics vendors can require heavy IT assistance across the entire workflow, which doesn't just slow down the time it takes to get results (costing the company money as more suboptimal hires get past the screening process), it also introduces more layers of complexity and security risks. A streamlined HR analytics system will securely handle sensitive data and let end users manipulate it without technical help.

LEARNING AND DEVELOPMENT

Retaining talented, high-performing employees is crucial to an organization's success. A key part of keeping top-tier talent happy is giving them opportunities to learn and develop in their careers. This is a big challenge, complicated by the fact that learning and development mean different things to different teams: engineers want different things than designers or salespeople.

HR analytics can help track which employee development activities have been successful in the past and which ones less so. They can also help map KPIs to career growth: most SDRs move to AE after they've been with the company for X amount of time and have generated Y number of opportunities. This doesn't have to create a set-in-stone rubric for every career pathway, but can help create useful frameworks for guiding employee development. Whatever the internal development processes look like at your organization, tracking metrics on how the process is working and being able to surface those to upper management is an important place that HR analytics combines the lived experiences of the workforce with the high-level business needs of the organization.

SIMPLIFYING COMPLEX DATA WITH HR ANALYTICS

HR analytics systems have some huge challenges to overcome. The right, robust solution will be able to juggle a lot of competing challenges and come out on top. First off, it'll connect to disparate data sources: we're talking hiring process management software, benefits systems, payroll, internal spreadsheets, and more. A strong analytics platform needs to handle data from all these different systems with ease in order to serve up actionable insights. It also needs to do all this without tons of support from the IT department. IT involvement taxes what is usually an already-stressed team and slows down time-to-insights for the HR team and the upper-level leaders who need HR metrics to guide the company. Non-technical users within HR department need to find their own answers. However, the flip side to this is that a robust tool will allow the more tech-savvy people within the company to build customized solutions that streamline analyses and help increase the company's HR analytics edge. Lastly, the system should make sure that personal employee data and other highly sensitive information can only be seen by HR professionals, again, without technical assistance from outside of the HR department.

CONCLUSION

Building a company has never been easy.

Every venture is an attempt by those who constitute it, to create the world and the future in which they wish to live. In our modern, data-driven world, no company can hope to compete in any venue without the aid of analytics. HR, while uniquely tinged with human elements that no computer may ever be fully able to reckon with, still must find ways to make the data that undergirds the present business landscape work for it. Making sure that pay and benefits are in line with expectations, tailoring in-house services to cultivate and retain top talent, and surfacing game-changing HR metrics to upper leadership are only a few ways that HR analytics are a vital part of winning the talent war in the modern world and helping build an organization that will stand the test of time and create a better future.

Dig into Sisense for HR Analytics