AGH UNIVERSITY

Using **HR analytics** to drive **business innovation**

May 12
Webinar starts at Noon CT

Continuing education credits available

Please answer at least three polling questions.

Recording & slides will be available.

For best audio quality, call in by phone

Questions? Ask away!
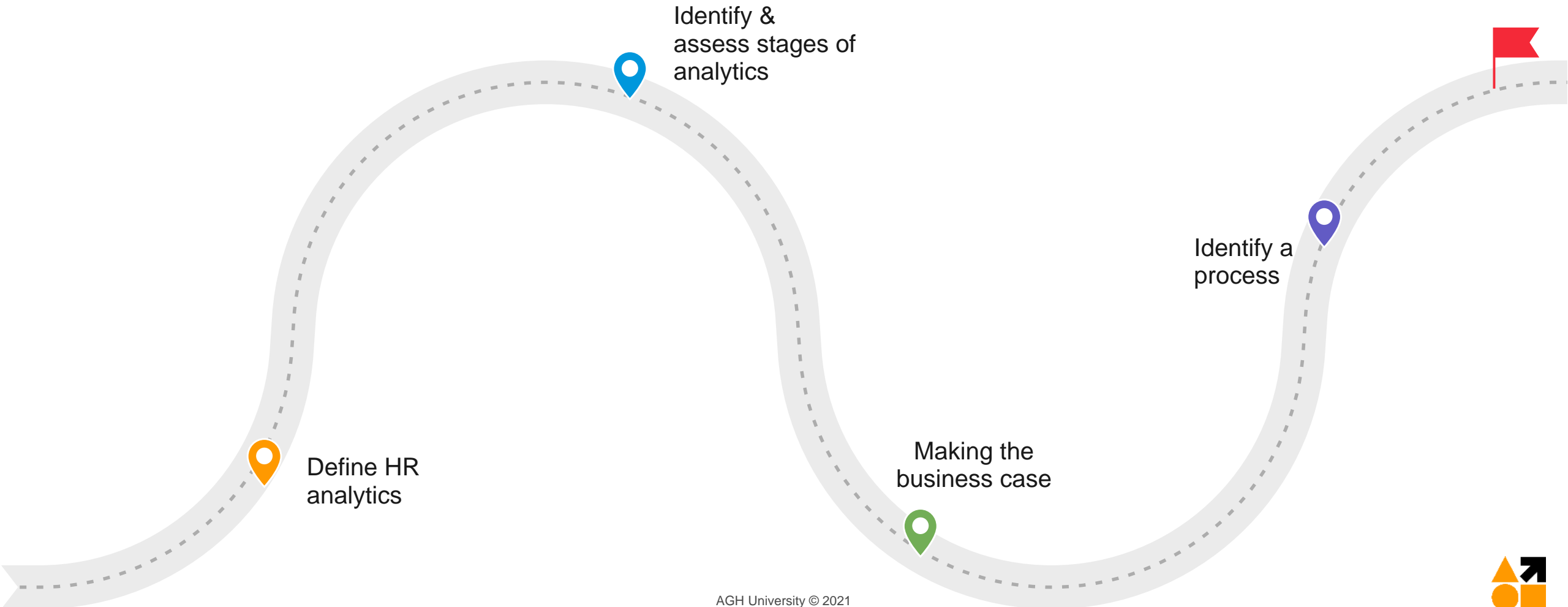
Don't forget our survey

Carrie Cox

Senior HR consultant for AGH Employer Solutions' organizational development and family business services group.

Experienced in a variety of HR functions including: compensation, benefits, performance management, and HR best practices.

Member of national and local chapters of SHRM. Earned the SHRM-CP credential. Also certified as a PHR by HRCI.

Learning objectives

Identify &
assess stages of
analytics

Identify a
process

Define HR
analytics

Making the
business case

HR analytics

Formal definition

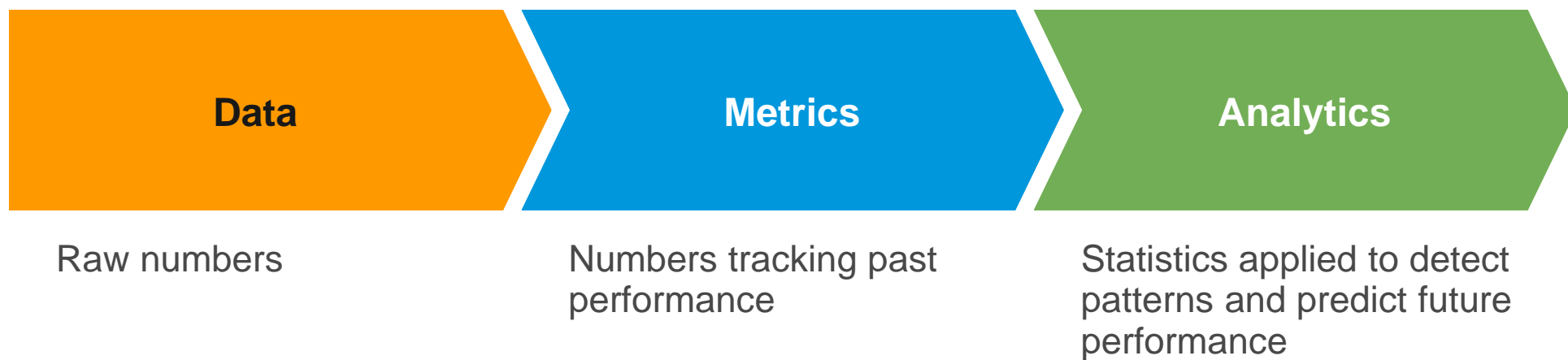Using measurement and analysis techniques to understand, improve and optimize the people side of the business

Better known as...
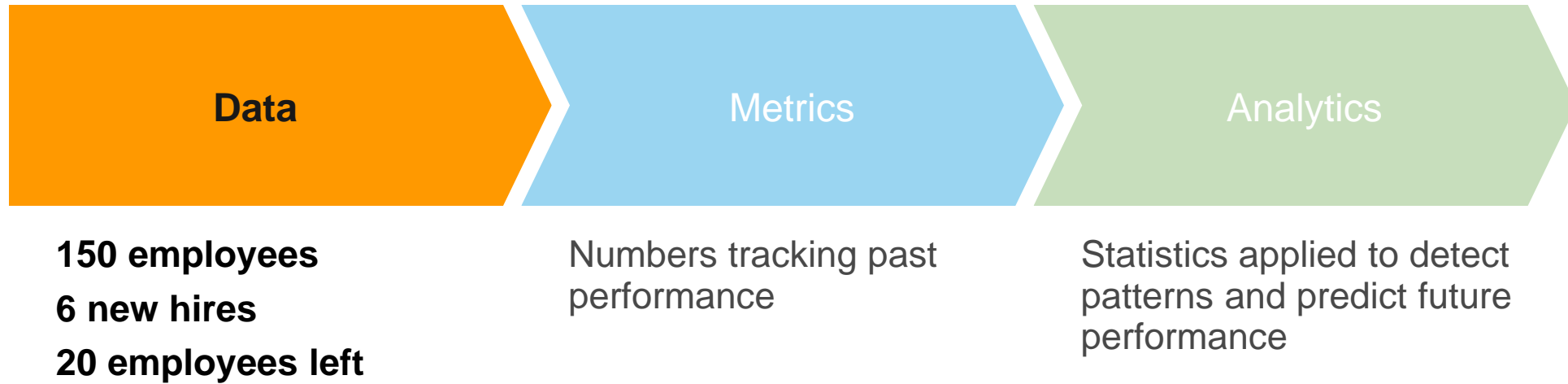
People analytics

Talent analytics

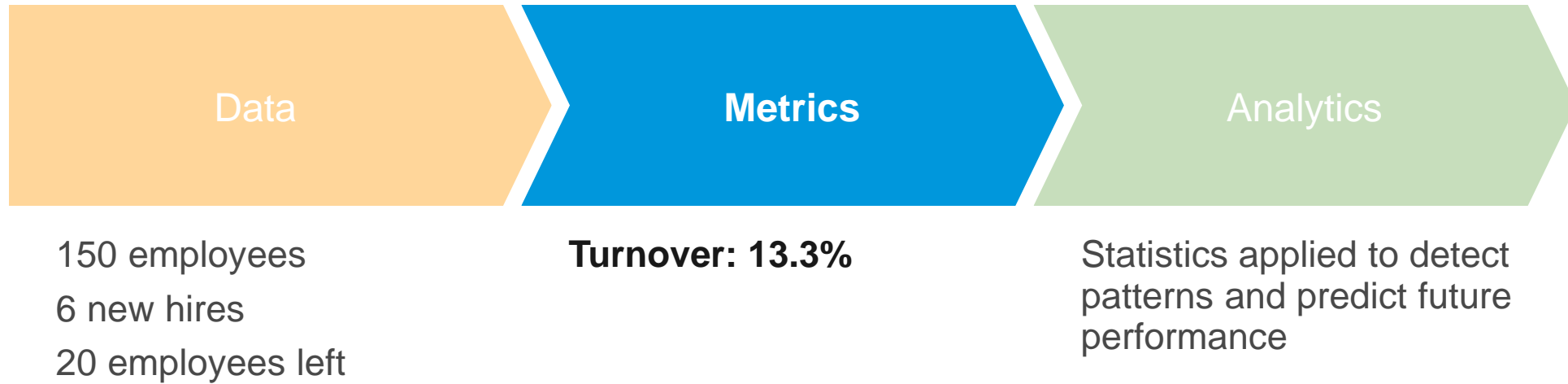# Polling question #1

Key components

Data	Metrics	Analytics
Raw numbers	Numbers tracking past performance	Statistics applied to detect patterns and predict future performance

Key components

Data	Metrics	Analytics

150 employees

6 new hires

20 employees left

Numbers tracking past performance

Statistics applied to detect patterns and predict future performance

Key components

Data	Metrics	Analytics

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Turnover: 13.3%

Statistics applied to detect patterns and predict future performance

Key components

Data	Metrics	Analytics

150 employees

6 new hires

20 employees left

Turnover: 13.3%

Turnover is up in one location by 17% this year and to bring it down...

Key differences

Reporting

- What happened over a period of time?
- How much?
- What?

Analytics

- Use data to derive actionable insights to improve
- Helps understand **why** and predicts the probability of future events
- Relationships & patterns

Data analytics maturity

Descriptive
(reactive)

Diagnostic
(proactive)

Predictive
(strategic)

Prescriptive
(roadmap)

Data analytics maturity

Descriptive (reactive) → Diagnostic (proactive) → Predictive (strategic) → Prescriptive (roadmap)

Data analytics maturity

Descriptive (reactive) → **Diagnostic (proactive)** → Predictive (strategic) → Prescriptive (roadmap)

Data analytics maturity

| Descriptive (reactive) | Diagnostic (proactive) | **Predictive (strategic)** | Prescriptive (roadmap) |

Data analytics maturity

Descriptive (reactive) → Diagnostic (proactive) → Predictive (strategic) → **Prescriptive (roadmap)**

Data analytics maturity

Descriptive
(reactive)

Diagnostic
(proactive)

Predictive
(strategic)

Prescriptive
(roadmap)

Polling question #2

How to level up?

Prescriptive (roadmap) — Filter through machine learning capabilities.

Predictive (strategic) — Level up by instilling analytics and data into every HR decision.

Diagnostic (proactive) — Level up by identifying what you would like to predict (at-risk employees, etc.)

Descriptive (reactive) — Level up by identifying 3-4 questions to improve HR and organizational goals.
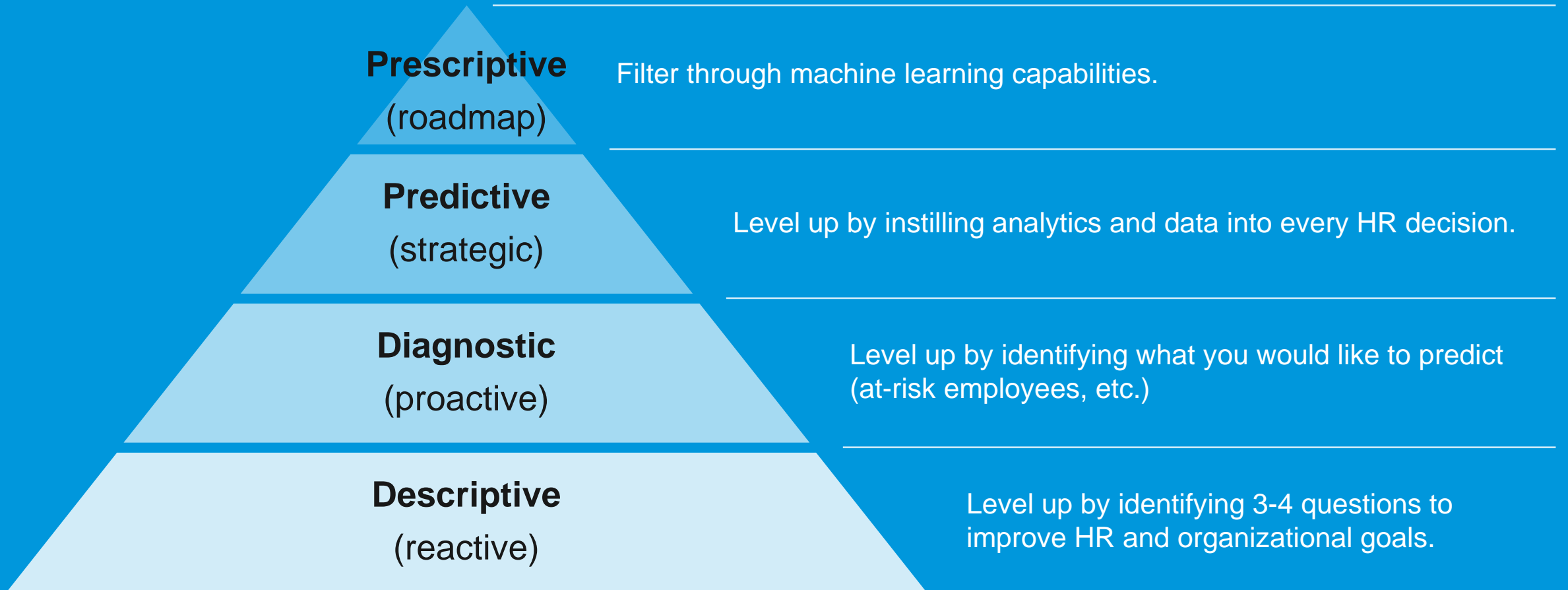
A fable…

The
business
case

The process

Define the business challenge

Establish your team

Form your hypothesis

Run analyses

Use data to inform decisions

Communicate your findings

Evaluate your intervention
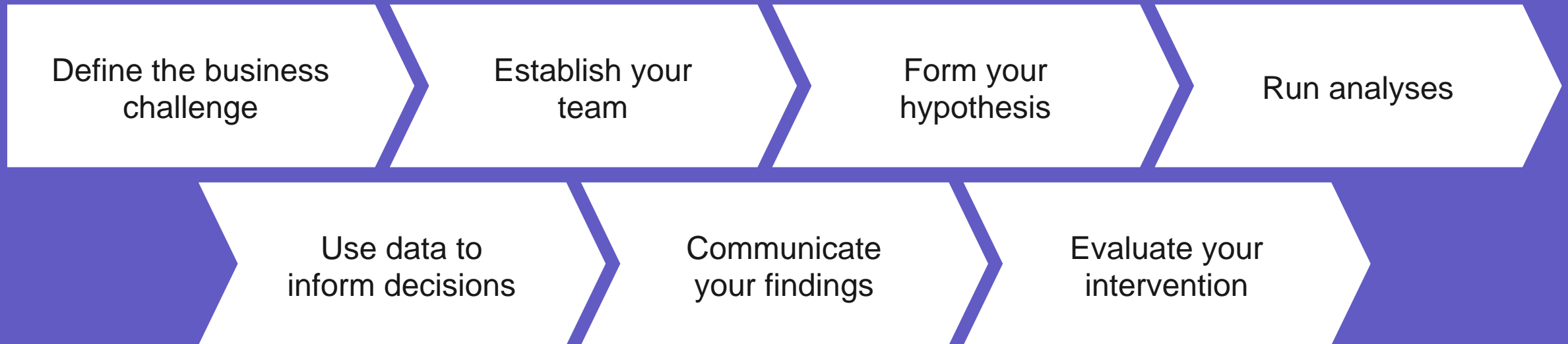
The process

What are you trying to solve?

Define the business challenge → Establish your team → Form your hypothesis → Run analyses

Use data to inform decisions → Communicate your findings → Evaluate your intervention
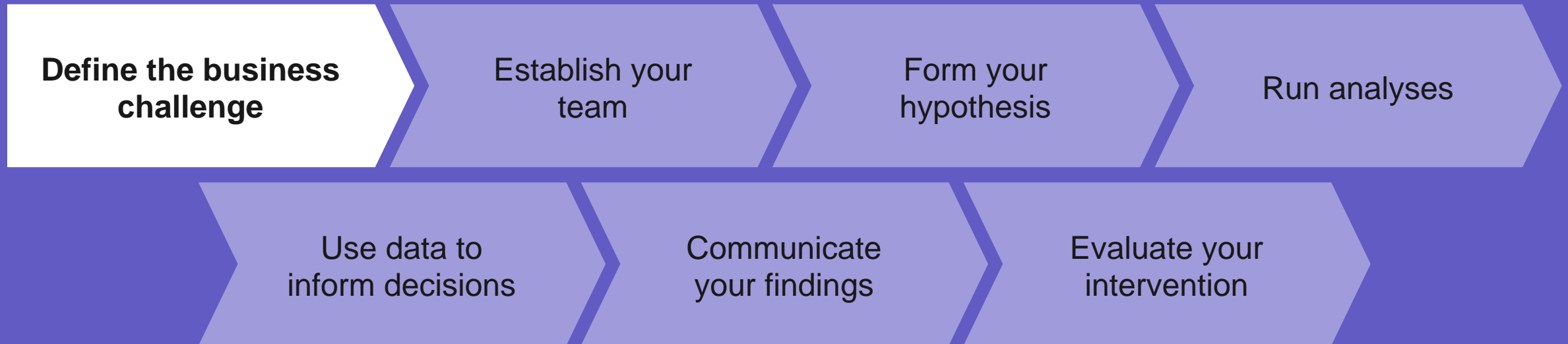
Define the business challenge

Employee retention

Turnover among our Hispanic employees is higher than turnover for other employee demographic categories.

The process

Who is critical for success?

Define the business challenge

Establish your team

Form your hypothesis

Run analyses

Use data to inform decisions

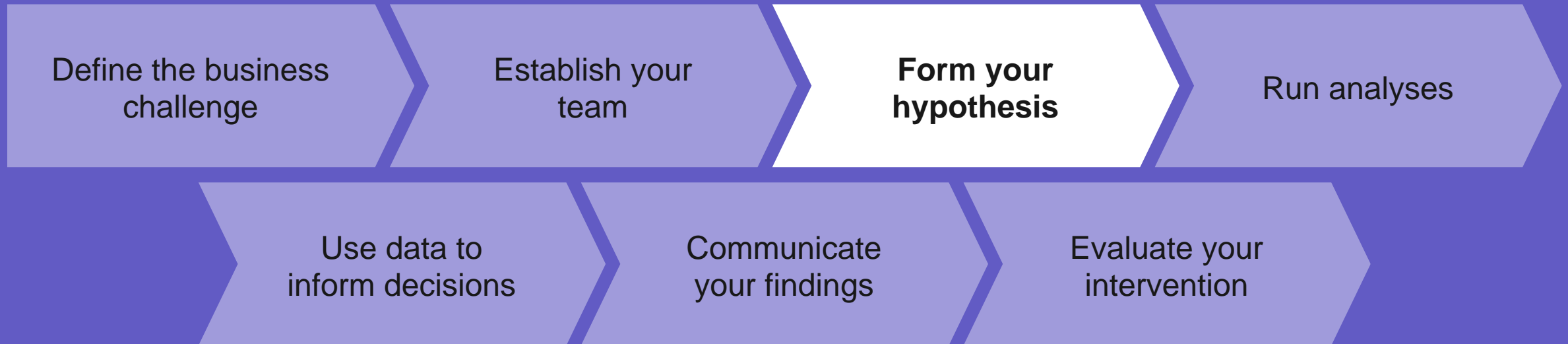Communicate your findings

Evaluate your intervention

Establish your team

- 3 location managers with high turnover

- 1 location manager with low turnover

- Marketing analyst

- Human Resources

Polling question #3

The process

A prediction about variables of interest

Define the business challenge → Establish your team → **Form your hypothesis** → Run analyses

Use data to inform decisions → Communicate your findings → Evaluate your intervention

Form your hypotheses
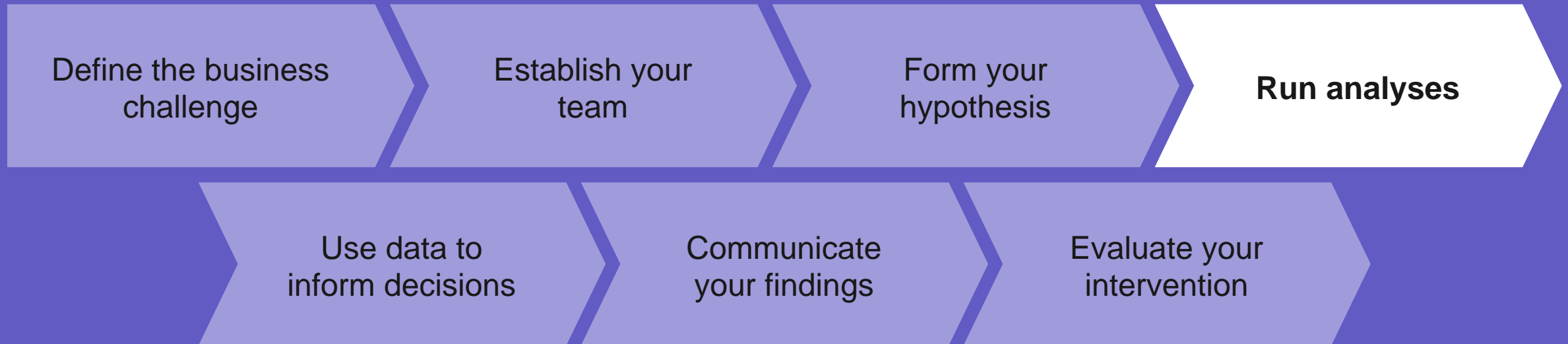
1   If we pay our employees more, they will stay.

2   If we provide more consistent management of employees, turnover will decrease.

3   If we conduct more training with new employees, turnover will decrease.

4   If we conduct stay interviews with key employees to determine what the issues are and address those issues, turnover will decrease from current levels.
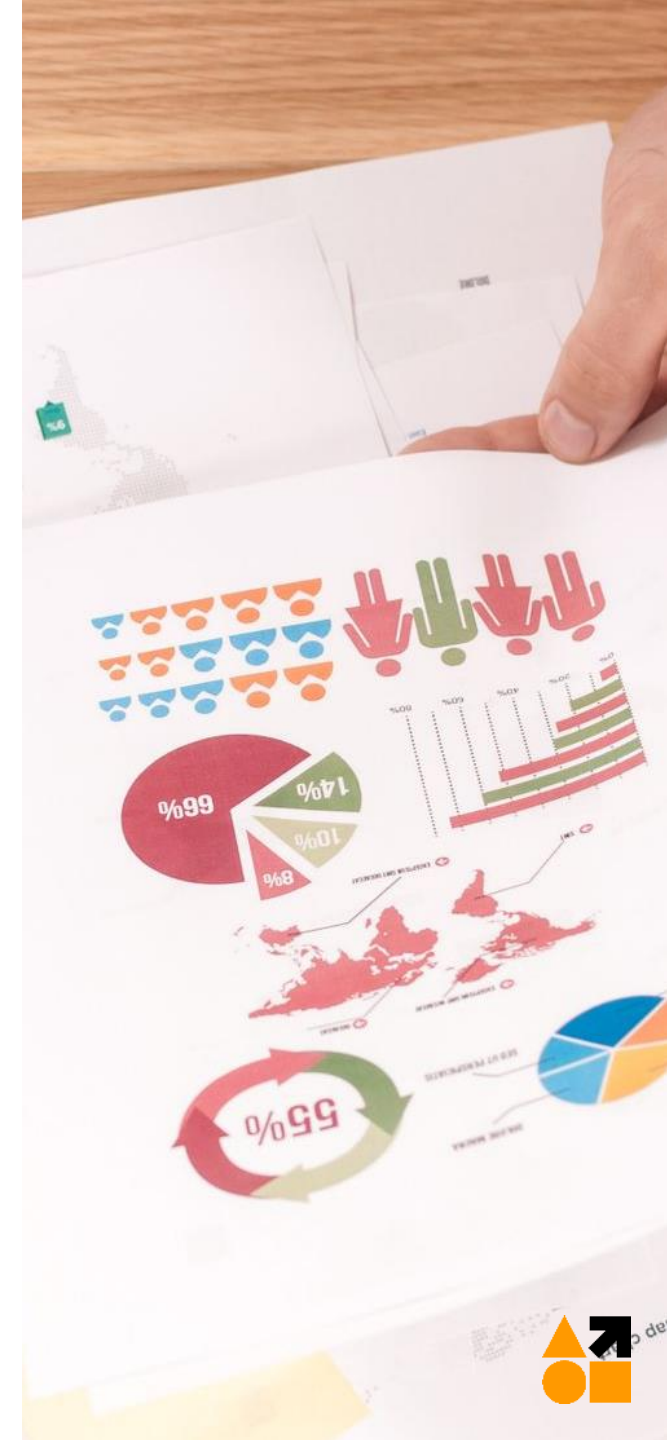
The process

How basic/complex and what type of analysis?

Define the business challenge → Establish your team → Form your hypothesis → **Run analyses**

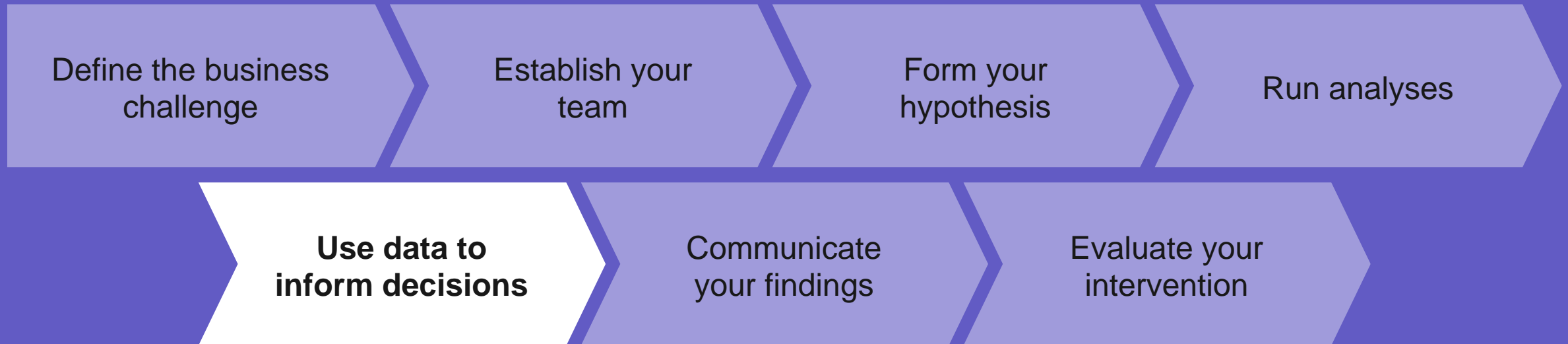Use data to inform decisions → Communicate your findings → Evaluate your intervention

Run analyses

- Pay analysis

- Turnover rate analysis by location/supervisor

- Turnover rate analysis by training hour per employee

- Stay interviews
  Managers prioritized employees for stay interviews in the "high-risk" group

The process

Confirmation we addressed the right challenge

Define the business challenge

Establish your team

Form your hypothesis

Run analyses

Use data to inform decisions

Communicate your findings

Evaluate your intervention

Use data to inform decisions

Boost pay

Pay data didn't support that compensation was affecting turnover, other than in exit interviews.

More consistent management

Supervisory data indicated some supervisors were spending more coaching time with employees and conducting more thorough onboarding with employees.
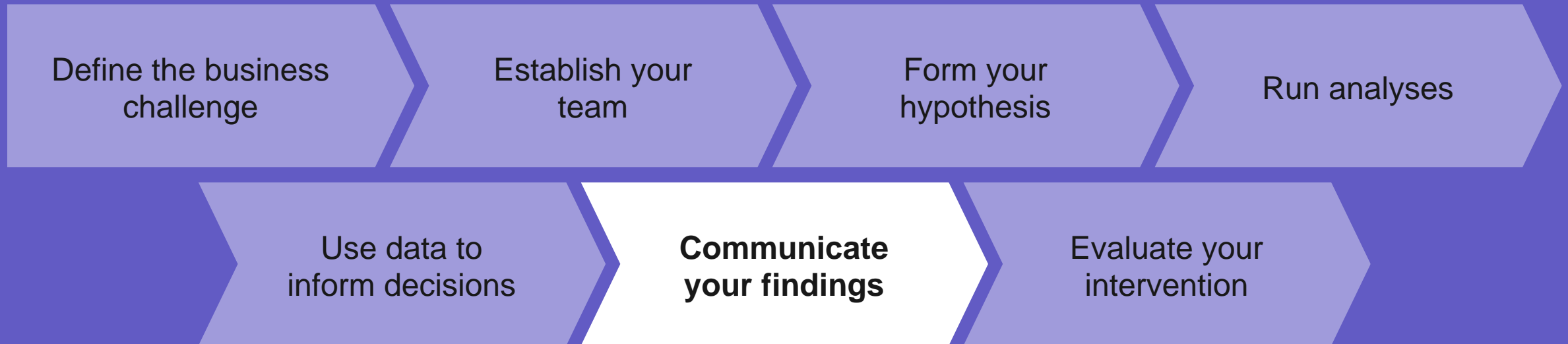
More training

Training analysis showed employees who received more training in the first six months were more likely to be employed for a full year.

Stay interviews

Stay interviews were conducted that provided good insight and quick fixes in some cases (more extensive in others).

The process

What we learned

Define the business challenge

Establish your team

Form your hypothesis

Run analyses

Use data to inform decisions

Communicate your findings

Evaluate your intervention

Communicate your findings

Data was presented to the team with suggestions

Pay data analysis

Supervisory practices

Employee training hours
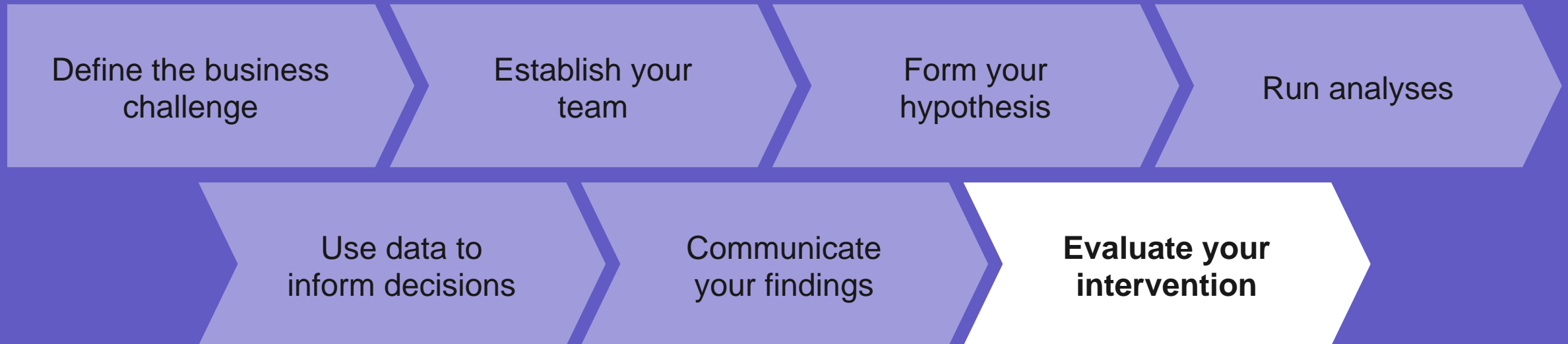
Data from stay interviews

The process

What difference did we make?

| Define the business challenge | Establish your team | Form your hypothesis | Run analyses |
| Use data to inform decisions | Communicate your findings | **Evaluate your intervention** | |

Evaluate your intervention

5%

decrease in Hispanic employee turnover within six months.

12%

decrease in Hispanic employee turnover within twelve months.

A sample scorecard

Goal	Metric	Data source(s)	Expected change
Reduce turnover	Training hours per employee	Training system	Increase
	Turnover	HR	Decrease

Some metrics to consider

- Labor cost per FTE
- Benefits as % of labor costs
- Workplace accident rates
- HR cost per FTE
- HR expense %
- HR FTE ratio
- L&D investment per FTE
- L&D hours per FTE

- L&D FTE ratio
- Revenue per FTE
- Human capital ROI
- Absenteeism rate
- Cost of voluntary turnover
- Turnover rate
- First-year turnover rate
- and many more!

What skills do I need for success?

Three domains: people, business and data

Polling question #4

THE PRACTICAL GUIDE TO
HR ANALYTICS

USING DATA TO INFORM // TRANSFORM // AND EMPOWER HR DECISIONS

SHONNA D. WATERS | VALERIE N. STREETS
LINDSAY A. MCFARLANE | RACHAEL JOHNSON-MURRAY

Thank you!

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