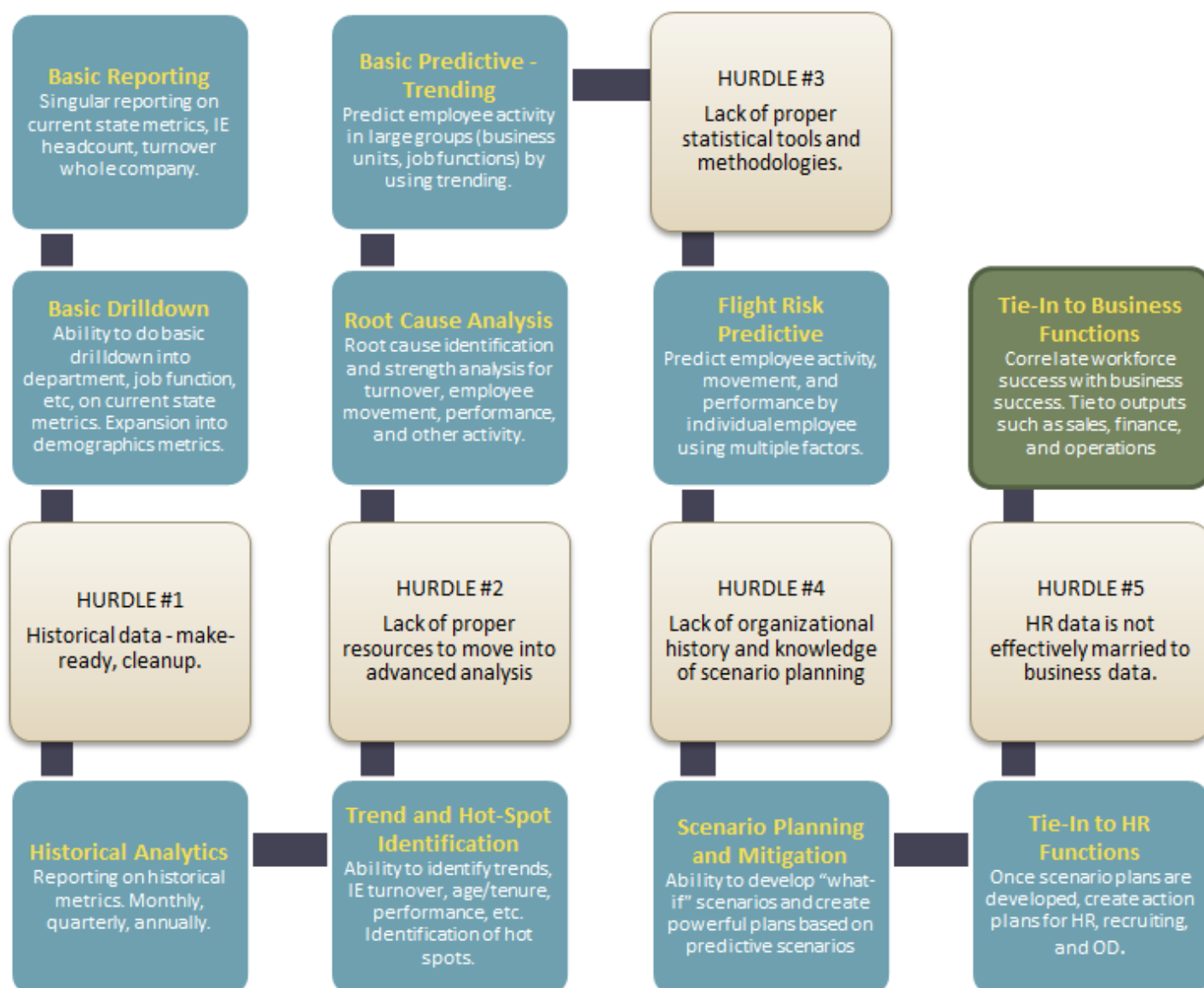# The Road to HR Analytics Maturity

The ultimate goal of workforce analytics and planning is to fully integrate workforce metrics with business success. The reality of today is that the majority of organizations are not quite there yet. A recent study showed that seven percent of organizations have integrated their HR analytics practice to the business.

The good news is that most organizations have some form of HR analytics practice, and are working their way to the end goal. What you see below is a roadmap, based off of best practices of the successful "seven percenters," to get from where you are today to the end-goal. Where are you on your journey?

Basic Reporting
Singular reporting on current state metrics, IE headcount, turnover whole company.

Basic Predictive - Trending
Predict employee activity in large groups (business units, job functions) by using trending.

HURDLE #3
Lack of proper statistical tools and methodologies.

Basic Drilldown
Ability to do basic drilldown into department, job function, etc, on current state metrics. Expansion into demographics metrics.

Root Cause Analysis
Root cause identification and strength analysis for turnover, employee movement, performance, and other activity.

Flight Risk Predictive
Predict employee activity, movement, and performance by individual employee using multiple factors.

Tie-In to Business Functions
Correlate workforce success with business success. Tie to outputs such as sales, finance, and operations

HURDLE #1
Historical data - make-ready, cleanup.

HURDLE #2
Lack of proper resources to move into advanced analysis

HURDLE #4
Lack of organizational history and knowledge of scenario planning

HURDLE #5
HR data is not effectively married to business data.

Historical Analytics
Reporting on historical metrics. Monthly, quarterly, annually.

Trend and Hot-Spot Identification
Ability to identify trends, IE turnover, age/tenure, performance, etc. Identification of hot spots.

Scenario Planning and Mitigation
Ability to develop "what-if" scenarios and create powerful plans based on predictive scenarios

Tie-In to HR Functions
Once scenario plans are developed, create action plans for HR, recruiting, and OD.

Chapter 1
Basic Reporting

The first step is the ability to do basic, accurate reporting on singular metrics. The majority of the time these can be done either natively in an HRIS system or manually in Excel.

Example Metrics

- Overall company headcount
- Overall company turnover (raw leavers)
- Average age

Chapter 2
Basic Drilldown

The next phase is taking the metrics attained in the first step and creating the ability to drill the metrics down on some basic segments of your workforce to provide more granular insights.

Example Metrics

- Headcount by job, business unitt
- Turnover by department
- Tenure by location

Hurdle #1: Historical Data

Most organizations do not have perfectly clean historical data. Oftentimes certain areas of the data need work before they're ready for the spotlight. The good news is that you can still get started.

What to do:

- Analyze data for strengths and weaknesse
- Implement plans for data correction for mid-to-long term
- Deliver the metrics that are possible to deliver accurately for the short-term. This will build momentum and internal support

Chapter 3
Historical Analytics

Once an organization has mastered current-state analytics, they'll move on into historical analytics. Reporting expands to showing past years, months, and quarters.

Example Metrics

- Past year turnover by quarter
- Five-year headcount trend
- Monthly aging demographic trends

Chapter 4
Trend/Hotspot Identification

Now that historical metrics are being analyzed, the data can be leveraged in such a way to find hot spots or risk areas. This is where the organization starts to move from informational to diagnostic analytics.

Example Metrics

- Aging demographic hot spots
- Top turnover trends and indicators
- Heat mapping of risk areas for various metrics

Hurdle #2: Resources

Most organizations can get to this point with the resources and staff on hand. However, as we move into root cause analysis and predictive, we need more specialized skills and experience to get value out of our more advanced metrics.

What to do:

- Look for internal resources that have analytical skills
- Implement training plans
- If skills are not buildable, look at bringing them in. Ideally, prior analytics successes will create support for this

Chapter 5
Root Cause Analysis

Becoming even more diagnostic, organizations shift towards looking at root causes and correlations, to determine the "why" for workforce activity.

Example Metrics

- Top turnover drivers for employee turnover
- Predictors of employee movement
- Pre-hire employee traits indicative of post-hire success

Chapter 6
Basic Predictive Trending

Companies leverage basic regression models to project for turnover for large groups of employees (job family, division). It is not very granular as trends use large groups of employees, but it's a start towards moving into predictive.

Example Metrics

- Next-year turnover projections for company, job families, divisions
- Hiring need projections
- Projections related to age and tenure

Hurdle #3: Technology

Moving into more sophisticated and accurate predictive models generally requires technology at this point. To project flight risk, movement patterns, etc., more powerful technology is needed.

What to do:

- Potentially look at software that has pre-packaged HR metrics and predictive algorithms

- Leverage consultancies who use intense actuarial models

- If high levels of analytical skills are present within HR team, modeling tools can be used for a more manual approach

Predictive Flight Risk

Once an organization can project flight risk and probability for internal movement for individual employees, the door to predictive is wide open. Projections can get granular; by job, by department, by age group, by skill, competency, etc.

Example Metrics

- Top flight risks for top performers or critical roles

- Future recruiting need by job and experience level

- Retirement risk

Hurdle #4: Experience

Now that the organization has sophisticated capability for high-powered predictive, the next step is to leverage it into prescriptive solutions. Very few HR organizations have advanced this far, so this is often foreign territory.

What to do:

- Leverage or acquire internal or external resources who have experience with scenario planning

- Participate in training, study white papers and journals for what other "seven percenters" have done. Reach out to successful practitioners

Chapter 8
Scenario Planning

Now that the organization has a very solid view of the future, it can create scenario plans. These "what-if" show multiple options for mitigating future issues by creating actions related to turnover, hiring, internal movement, and training.

Example Metrics

- "What-if" planning, show multiple possible scenarios and what will be required to solve for each scenario

Chapter 9
HR Function Tie-In

Now that the organization knows the variables involved for the future, and what the numbers need to look like to create future harmony, it can create action plans for each different HR function. All of these functions come together to successfully implement the action plans.

Example Metrics

- Recruiting need and workload by location, function, job type
- OD requirements . Internal movement and promotion targets, training levels, candidates, succession

Hurdle #5: Data Marriage

At this point, the final hurdle is marrying the HR data to other business data. Most organizations have not combined this data coherently, so showing ties and correlations between the data is near-impossible.

What to do:

- Create or buy/rent a data warehouse
- Determine common identifiers between HR and business data
- Normalize, clean, and join the HR data with the business data in one location

Chapter 10
Creating Business ROI

When HR and business data are married properly, the organization has joined the "seven percent club". Now they can analyze the impact of HR programs on the business, and proactively create financial and operational successes with their workforce analytics and planning programs.

Example Metrics

- Improved safety and quality
- Improved sales and customer satisfaction
- Operational and financial impact

The Good News...

At Novel Intelligence, we've got solutions to help you jump over those hurdles. We combine modern technology with a hands-on, consultative approach to partner with you in a way never possible before. If you need technology, we've got that. If you need expertise or training, we've got that too.

Hurdle #1: Historical Data

Novel provides "data-as-a-service" offerings. We perform a 100+ step health check on your data. We then create a repeatable, technology-driven process to deliver clean data every time.

Hurdle #2: Resources

If you don't have the internal resources to refresh reports every month or quarter, don't sweat it. We create, customize, and deliver reports to our clients as a service monthly, quarterly, or on-demand.

Hurdle #3: Tools and Technology

You don't need to spend six figures on a software package to get accurate projections for your workforce. We have technology in house with world-class predictive algorithms. Let us build your data warehouse and predictive formulas, and deliver hassle-free results to your doorstep.

Hurdle #4: Experience

Not only will we create processes for your team to deliver results each month or quarter, but we'll train them and provide them the skills to expand and improve upon your analytics practice going forward. Our philosophy is not to sell expensive fish, but to teach you how to catch your own.

Hurdle #5: Data Marriage

You don't need to buy an expensive data warehouse and the staff to maintain it. Our experts will combine your business and HR data and store it in our data warehouse. Clean, unified, and ready for you to deliver results.

Want to build a world-class workforce analytics and planning practice? **We'll help you get there.**

Our experts have helped hundreds of companies enhance existing practices, or build them from scratch. We'll help you with all steps of the process. We even have reporting technology that allows you to get powerful, configurable reporting - with no need to buy expensive software or spend six-figures on a consulting engagement.

Whether you want to handle the reporting and number-crunching internally or have us use our technology to deliver it as a service, we're here to help.

Want more information? Reach out to us and we'll give you a free consultation.

Your data has stories to tell. Let's write them together.

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