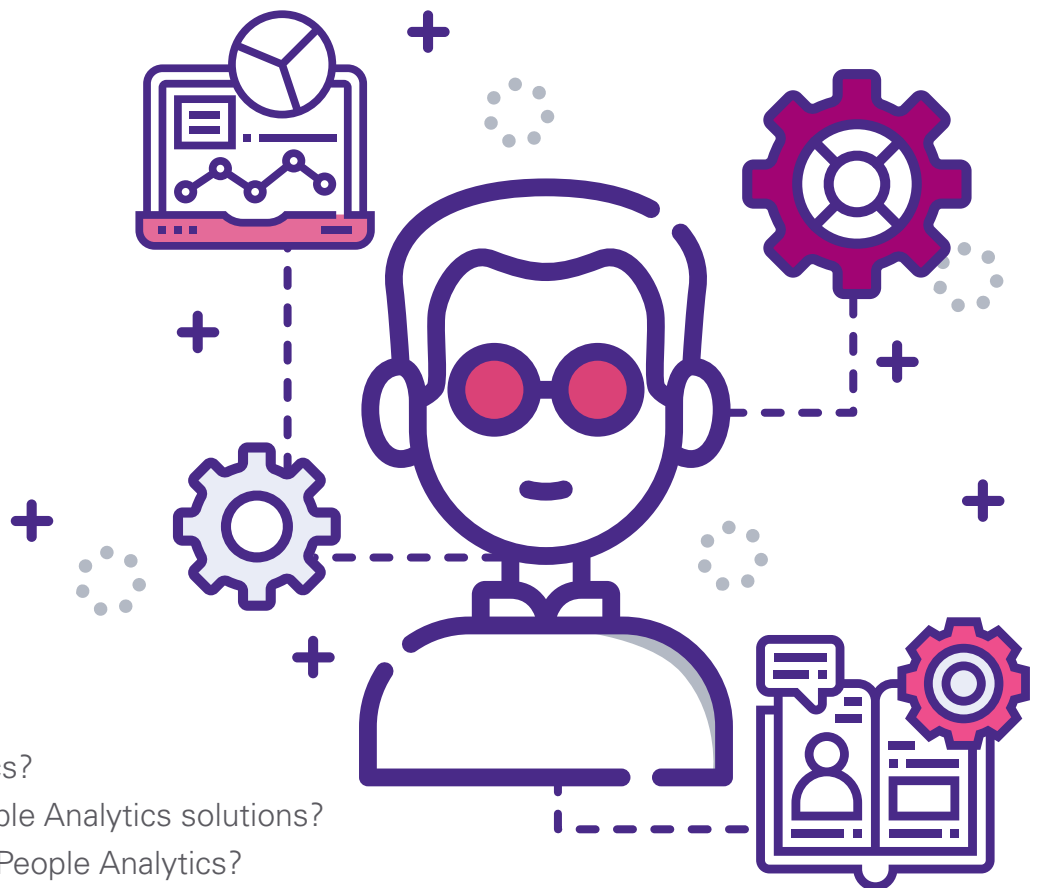


# The 2020 People Analytics Guide

No need to be a nerd to become a data-driven HR leader



- What is People Analytics?
- What to look for in People Analytics solutions?
- How to get most from People Analytics?
- Where are analytics solutions heading?
- Why invest in Analytics?

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# Welcome...

In this eBook you'll discover why people analytics is so important for your business, especially when it comes to getting ahead of the curve. You'll find out what you should consider when planning to implement people analytics in your organisation and what to expect from an impactful HR business intelligence solution. We will also share information about the SAP SuccessFactors offering for analytics and show you how next generation analytics solutions are such a great leveller because even the non-technical among us can use them to access meaningful insights.

So read on to find out how people analytics can help you make critical evidence-based business decisions, beat the talent drought and keep up with a fast-changing world. Best of all, you'll learn how people analytics can add true value to data when it's used to tell a compelling story.

We'd love to know your thoughts on people analytics – which platforms you're currently using, which projects you have seen meaningful results from, and where you think the future lies. If you enjoy this eBook, feel free to share with a colleague, client or decision maker!

# Chapter 1

## What is people analytics?

Major analysts have been extolling the virtues of people analytics for years, and now it's about to go mainstream. In fact, over the last few years we've seen a huge increase in adoption rates. So what exactly is it? Here at NGA HR, we like to think of people analytics as giving us meaningful data to support business-critical HR decisions. It's a combination of tools, technologies and practices to turn people data into actionable intelligence. So that's the elevator pitch – now let's take a look at what people analytics can specifically do for you and your organization.

## The benefits of people analytics

There is no doubt that people analytics is a key business enabler that can unlock huge potential. In fact, people analytics has been found to help with many of the HR challenges facing today's business world, including innovation, the talent shortage, employee engagement and people retention. It can have a remarkable impact on individuals, teams and the business as a whole.

People analytics really is a game changer and can enable organisations to:

- evaluate the effect people decisions have on business performance
- make evidence-based decisions and justify those decisions with data
- track key HR processes and the impact of HR function's interventions and campaigns
- understand how well an organisation is able to attract, develop and retain the right talent
- reduce turnover costs by maximising recruiting success and minimising attrition
- increase productivity by identifying which people investments drive higher performance (return on people investments)
- identify talent gaps and supply risks that could have an effect on business strategy execution
- help keep employees safe by understanding risk-prone working conditions

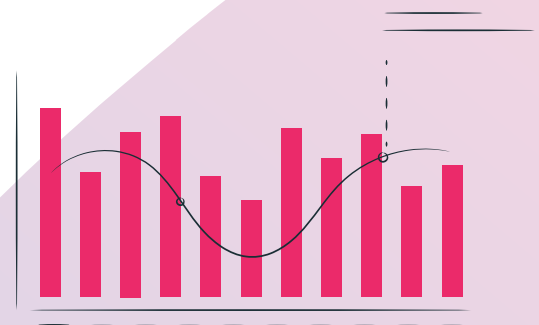
“Making people analytics impactful is all about making data available in an effective way that is meaningful to non-technical consumers and supports business-critical HR decisions.”

## How people analytics has evolved?

It's thought the term people analytics was first coined in 2007 by Google. You may have heard terminology like “HR analytics” or “talent analytics” used as well. Semantics aside, they usually tend to describe the same thing. As human resources has evolved into a more people-centric industry, analytics has been used to help understand employee motivation, productivity, profitability and more. HR as a whole is moving away from gut instinct as a strategy, and towards looking at data for evidence.

The focus of people analytics is shifting from retroactive reporting and hindsight into proactively offering support in decision making through predicting optimal future outcomes. This is where the next generation technology described in chapter 5 plays a big role.

So what should you look for from your people analytics solution?



# Chapter 2

## What to look for in your people analytics solution

When choosing the right people analytics tool, there are a number of key considerations. To be impactful, your solution needs to:

- Be able to source, transform and store your data securely, taking into account regulations and data sensitivity
- Give meaningful insights to a varied audience, also taking into account data sensitivity issues
- Be embedded into your day-to-day HRIS systems and HR processes, instead of being a separate entity
- Be able to support blending and analysing business and HR data together
- Be able to provide the tools to tell a compelling story with data
  - Show top-level view for the bigger picture and have the ability to directly and intuitively drill to details to understand the contributing factors
  - Support managers with moment-in-time decision making
  - Drive any necessary action, preferably guiding towards the optimal one

“Executives should have the data tell them a story... and be able to navigate that story and drill to details where they wish to investigate further.”

## Metrics v KPIs

We are often asked about the most frequently requested KPIs or benchmarks from HR people in our market. Standardized metrics matter because they provide best practices to define, combine and analyse people data – with decades of expertise, research and history behind them.

Those of you who use SAP SuccessFactors may already be familiar with metrics packs as part of their people analytics solution.

This structured framework consists of a collection of hundreds of measures, key dimensions and hierarchies. Because they are named and calculated in a standardised way, they can also be used for benchmarking against peers.

If your organisation is analytically mature, (see chapter 4) you are likely to have a library of pre-defined metrics. This library will have been evolved through an understanding of the key questions around your organisation’s talent needs, both now and into the future. This understanding can only be reached through continuous dialogue with the business. HR and People teams should select KPIs to be tracked in dashboards, which are analysed and linked to strategic plans for the workforce and the business itself. They should then be tested regularly and evolved as required. So: all KPIs are metrics, but not all metrics are KPIs.

What counts as a meaningful KPI will always depend on your organisation and its needs at that moment, and no two organisations are the same. The focus on certain KPIs also changes on a regular basis as your business needs change and evolve, for example when it comes to the demand for talent.

“All KPIs are metrics, but not all metrics are KPIs.”

So, again, communication between HR and the wider business is important in order to identify what to currently focus on. What are the key questions from stakeholders that need to be answered using your people analytics and how will insights be communicated to them? For a look at some typical KPIs, try searching “Top 10 HR KPIs” in your favourite search engine. You’ll see it really does depend on your business and what you are trying to achieve. The answer is not something you can buy off the shelf, you really need to know your business and its capabilities.

How we approach this topic at Alight | NGA HR is through looking at the larger picture with our customers; what are they trying to achieve, what business issues do they need to solve and how that relates to their talent. Through this, we get an idea of what kind of key talent questions need answers and which KPIs could answer those questions. Then we can go back to these best practice metrics catalogues as a starting point and define all new metrics, where needed.





# Chapter 3

## Understanding your current capabilities

As mentioned, it's crucial to understand your starting point and current capabilities when considering a people analytics project. What specifically are you trying to achieve with this project? How will you ensure the project is carried out successfully and the solution widely adopted, once live? How do you find an agile, scalable and smart solution that fits your current and future landscape of business applications and data storage?

Communication is key and you will need buy-in, support and ownership from stakeholders and management.

## Starting small

If you're still not sure how to begin, why not start with a smaller step, such as a pilot project? This is a way to offer some quick wins and prove the value of people analytics to your stakeholders. Think what a meaningful HR dashboard would look like to the executive audience you need to convince and start with that. Remember, people analytics is never just a one-time project, but an ongoing journey – and it's never too early to start.

“People analytics is never just a one-time project, but an ongoing journey.”

## Common obstacles and how to overcome them

Something we sometimes hear from our customers is that they are not ready to embark on a people analytics project, either from a technical and/or practice capability angle. This is a myth because all organisations are already doing at least ad-hoc reporting on the available data to the best of their abilities. So don't follow the crowd and keep pushing your analytics projects into the future – there is always something to start with!



# Chapter 4

## Are you ready to start using people analytics?

A recent survey by Deloitte found that 85% of companies see people data as 'important or very important', yet only 42% of companies consider themselves 'very ready or ready' in the area\*. In fact, the average response when we ask professionals how mature their organisation's analytics are is that the area is a 'work in progress'.

If you too are not feeling quite ready, we can help you assess your analytical maturity and give your people analytics practice a kick start. With a bit of support you can you're your organisation from using data to understand something that happened in the past, to understanding and predicting what will happen in the future.

## The Alight | NGA HR People Analytics Framework

The below diagram is the simplified view of our People Analytics Value Realization Path, part of the Alight | NGA HR People Analytics Framework. It has an example timeline, showing the capability that can be reached and the benefits that can be achieved at each level.

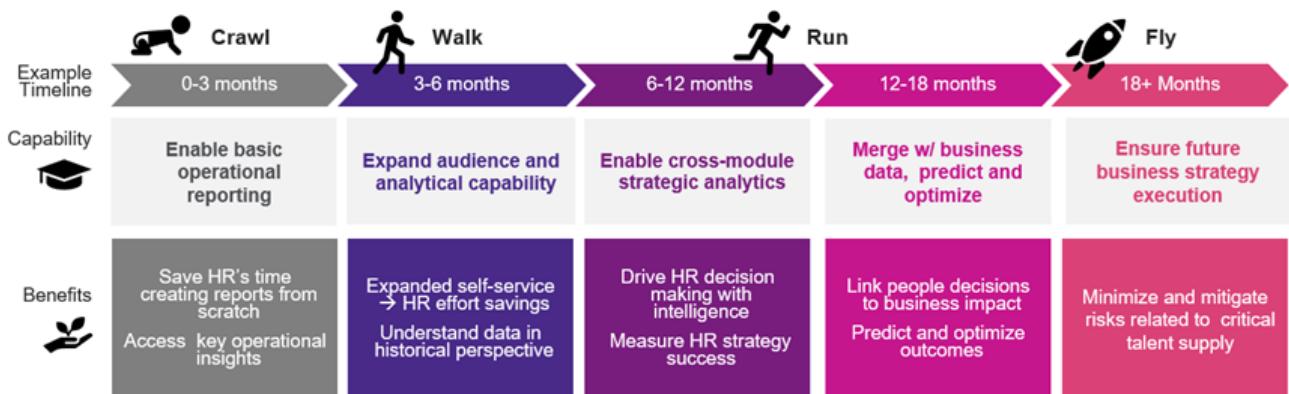
We use this framework to concretely map requirements of:

- functionality
- technology solutions
- tools
- KPIs, and
- reports

We also look at the related skills of various stakeholders and any processes and change management aspects needed to make the journey a reality. We can then map our corresponding service and solution offerings to the requirements.

If you think of it like a child learning to walk, many organisations are at least crawling, if not walking, when it comes to their use of people analytics. The next step – running – is starting to use analytics strategically to plan, predict and optimise. Then once people analytics is firmly woven into your business strategy and execution you have learned to fly! You have expanded beyond the HR department and your whole company is using people analytics as a strategic business asset. The smart technology allows for this expanded audience as it offers personalised, understandable and accessible content.

## Alight NGA HR People Analytics Framework Value Realization Path



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\* Source: 2018 Global Human Capital Trends, Deloitte

## How to get buy-in

Senior buy-in is important, especially for big-ticket items such as new cloud-based systems. Manage stakeholder expectations by working with your senior HR team to ensure they have an actionable vision for analytics.

Senior stakeholders are already making business decisions on a regular basis, so align your analytics with these decisions. This will give you more chance of successful adoption throughout your organisation. Why not start with a pilot project that you can use to show immediate results? Communication is key, so work closely throughout the pilot, and for maximum chance of success we strongly recommend tying your goals in with both the overall HR strategy and your organisation's wider objectives.

“Senior stakeholders are already making business decisions on a regular basis, so align your analytics with these decisions.”



# Chapter 5

## Where are analytics solutions heading?

A few years ago Gartner, one of the world's leading research and advisory companies, said augmented analytics would be the next big disruptor in business intelligence (BI) and analytics. They said it would transform the entire analytics workflow – and today we can see it's becoming a standard in leading BI solutions.

## So what is augmented analytics?

Augmented analytics technology is said to be more intuitive and democratic than previous solutions, as it is suitable for any size of organisation and any level of technical knowledge.

Augmented analytics uses AI and machine learning to automate and accelerate data preparation, meaningful pattern detection and sharing of insights. It puts an informed and empowered business user front and centre of people analytics.

What you can expect from augmented analytics:

- **Conversational interface:** ask a question and get an answer in natural language
- **Automated pattern detection:** reveals surprising insights that would have otherwise gone unnoticed
- **Automatically generated break-down of key contributors behind a value:** available with a single click
- **More user and context relevant:** without making the administration of the content more complex

## Meet SAP SuccessFactors People Analytics, now powered by SAP Analytics Cloud

One way to introduce augmented analytics is to use a SaaS (Software as a Service) based approach, such as SAP Analytics Cloud (SAC). Described as “the future of decision making”, SAC is a one-size-fits-all enterprise solution, with free trials available for proof-of-concept projects.

SAC has been maturing over the years to compete with BI solutions like Tableau and Microsoft's Power BI. SAP plans to make this the universal front end for intelligence for all their business applications, which will reduce training for end users. Once familiar with the tools, it's easy to start reporting in real-time and leveraging pre-calculated KPIs. This harmonisation of the BI front-end started in SAP SuccessFactors, when SAC was recently released (in preview instances) as the Embedded edition of People Analytics, free of charge.

“Once familiar with the tools, it's easy to start reporting in real-time and leveraging pre-calculated KPIs.”

There are 3 editions of People Analytics

- Embedded edition (formerly Reporting)
- Advanced edition (formerly Workforce Analytics)
- Planning edition (formerly Workforce Planning)

All other analytics scenarios (falling outside the HR data domain) are referred to as Enterprise Analytics (see chapter 6).

## SAC Embedded edition: available now in preview

The Embedded edition takes SuccessFactors reporting to a whole new level. We have had hands-on experience with this edition already and we were impressed. It's very intuitive, particularly if you've used SAC before. You can use the Embedded edition to create interactive, dynamic reports, stories and dashboards. Querying data from different modules (or schemas) is done automatically. It's more business user-friendly and great for less technical users.

Some of the features available in the traditional legacy reporting tools, like reports scheduling, are not yet available in the new solutions.

## SAC Advanced edition: coming soon

The Advanced edition of People Analytics is expected to come later this year with its first core workforce metrics. Where the Embedded edition looks at SuccessFactors data with a moment-in-time perspective, with the Advanced edition you can span the data across a timeline for historical perspective. Later you will be able to consolidate other HR data and transform it with complex logic.



# Chapter 6

## How do the editions compare?

The diagram below depicts how the editions differ in their purpose and also their data scope.

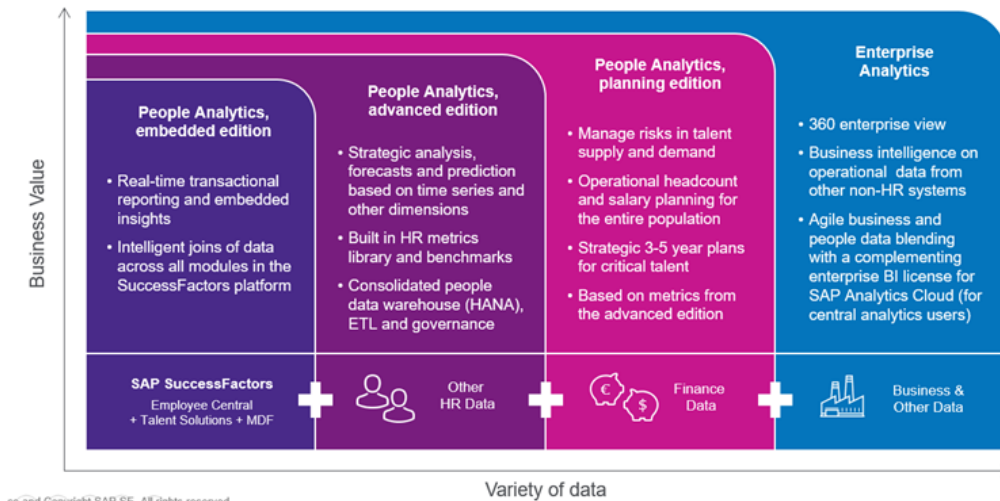


Diagram showing how the editions of People Analytics and Enterprise Analytics compare

## What is the stand-alone Enterprise licence?

What is referred to as Enterprise analytics is free-standing, and it requires a separate stand-alone Enterprise SAC licence. It can replicate SuccessFactor data from separate tables, but (at least currently) there's no live connection or automatic joins as there is with the Embedded edition.

What the Enterprise edition does well is that it makes it possible to blend business data with HR insights in the same front-end and dashboard. If you're thinking about testing and showcasing SAC's general analytical capability, it's a great option – especially if you're waiting for the Embedded and Advanced options to become available.

If your HR data is stored in another warehouse, you could use the Enterprise edition as a front-end.

# Summary

Investing in people analytics is a necessity for many organisations, especially if you're looking to get ahead of the curve. It's the best way to bridge the gap between people and operational data, and make accurate business decisions.

Here is a recap of the benefits of augmented analytics:

- Wider audience: yet more user and context specific intelligence
- Possible to do advanced analysis without a degree in data science
- More empowered business users
- Faster delivery and quick wins
- Insights available anytime, anywhere, on any device

“Investing in people analytics is a necessity for many organisations, especially if you're looking to get ahead of the curve.”

## You're more ready than you think

Remember you're probably technically more ready than you think, and already doing some level of analytics, whether that's dashboards or similar. You are likely to already be crawling, if not walking! You also don't need to have all data available from the start, nor all the metrics defined. Free trial SaaS licenses can be used to evaluate the solutions' capabilities and showcase them to your stakeholders.

Our advice is to start small and not overcomplicate things. You will see some quick wins and can use these to build a business case for increasing skills over time.

If you're still not sure whether you're ready, we can help you assess your analytical maturity and choose the right people analytics solution, so do get in touch. We can help with both strategic and technical solutions to accelerate deployment.

If you wish to have a more in-depth look at the capabilities of the embedded edition of SAP SuccessFactors People Analytics, visit this page:

<https://www.ngahr.com/blog/successfactors-analytics-with-sap-analytics-cloud>

And finally, if you found this eBook useful, please share it with your colleagues.

## Get in touch

We will be introducing our ready-to-run embedded edition dashboards soon. If you want to learn more and see how we can support you in making an impact with your people data, please get in touch here:

<https://www.ngahr.com/contact-us>

Alight | NGA HR is uniquely positioned to help HR leaders unlock the true value of their diverse workforce, wherever they are. We focus on customer value, based on almost 50 years of experience in HR consulting, HR outsourcing and HR technology. Innovation is the foundation of our business and why we are recognised as a market leader in HR and payroll.

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