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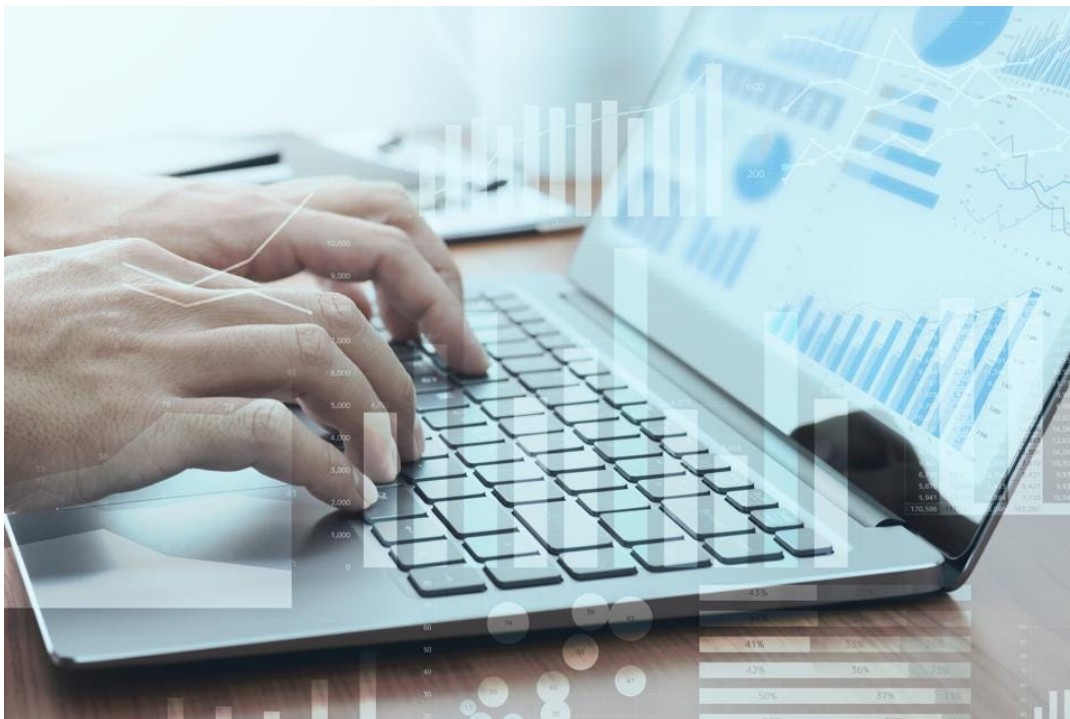
# How To Use People Analytics To Drive Business Performance



Kelly Kubicek Forbes Councils Member  
Forbes Human Resources Council  
COUNCIL POST | Membership (Fee-Based)

May 31, 2022, 07:45am EDT

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HR professionals often spend their workdays identifying new strategies and improving workplaces and employee experiences.

But they need accurate insights and data to determine whether their efforts work and how to implement efficient policies.

That's why people analytics is an invaluable element of recruitment. This practice enables HR departments to navigate the complexity of the hiring process and make better-informed decisions.

## What Is People Analytics?

People analytics is a data collection concerning human capital and workers' performance within an organization. But this practice also turns information into actionable and meaningful insights that HR and PA specialists use to enhance business performance and employee experience.

Although company leaders often believe that people analytics only improves human resources matters, it has a more encompassing impact. Over 70% of companies use people analytics to improve their performance, according to a 2019 Deloitte [report](#). After all, platforms that collect relevant data help pinpoint the correlation between actions and overall business efficiency. Moreover, a 2018 [study](#) found that 65% of those who work in an organization with a prominent people analytics culture said their companies perform better than their competition. But according to the "State of HR Analytics 2021" [report](#), only 29% of respondents say they are good at making positive changes based on this practice.

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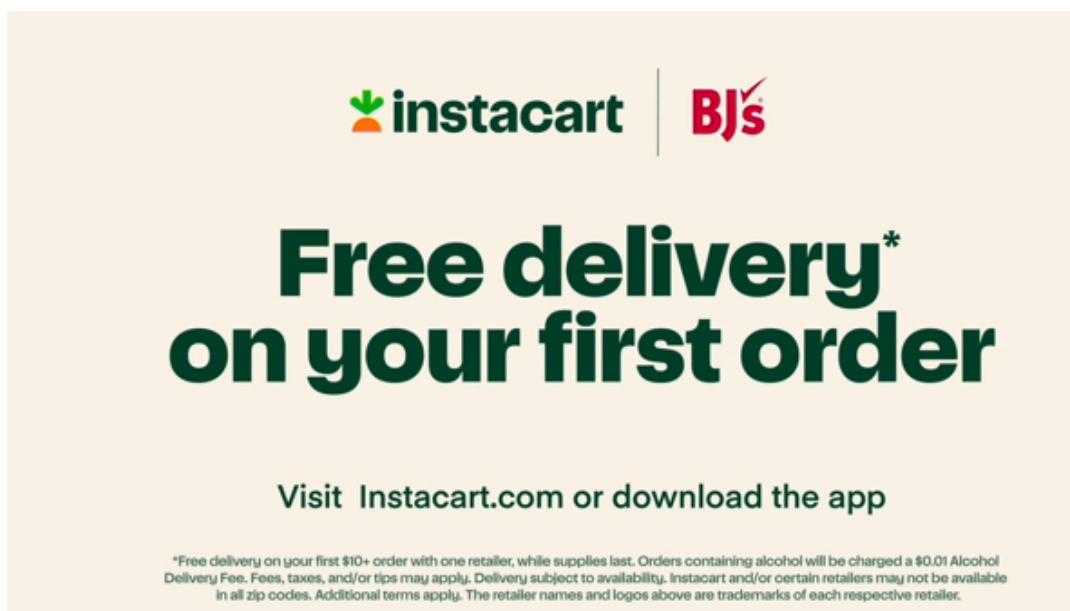
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They usually struggle with collecting and evaluating analytics. That means that HR departments must up their people data game to get better business outcomes and dive deeper into using this practice and generating lasting change.

## How To Use People Analytics Efficiently

Here's how you can start to employ people analytics in your organization:

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## Establish A Data-Driven Company Culture

Encourage your teams to prioritize data and facts in decision-making instead of relying on gut feelings and viewpoints. Highlight the importance of a factual approach and help them understand how to tell apart verifiable information from hunches, deceptions and assumptions.

Create a company culture that puts data-driven decisions first and inspires people to be critical thinkers, ask questions and discern

complex concepts. Practice data collection and evaluation whenever starting new projects or measuring success.

Moreover, establish a work atmosphere that discourages people from jumping to conclusions and rather inspires them to conduct tests before finishing assignments. Provide the necessary tools and support for innovation and help employees learn from their mistakes.

## **Identify What You Want To Achieve**

Gauge your pain points and determine what keeps your company from achieving goals and securing a better market position. Be specific and identify how fixing that issue would affect your business. That should help you understand your objectives and what people analytics insights should reveal. But set realistic targets and consider what data you need to strategize your next steps.

For example, create a hypothesis based on the most urgent challenge and decide what to measure and how to collect information. Consider using people analytics tools that you can integrate easily with your existing HR technology.

## **Compile The Data**

The first step is to decide the type of data you want to collect and what it should reveal about the processes and performance. After that, I recommend finding reliable measurement software and tools that help you capture standardized information.

Various vendors offer demos and free trials that enable you to test the platform and whether its features meet your requirements. But look for approaches that can track data patterns and highlight frequent mishaps and risks.

## **Interpret The Insights And Take Actionable Steps**

Dive into the data analysis and the story it tells about your business. Consider whether it highlights that your employee engagement is lagging or that your training and development need upgrades. Start developing a strategy and implementing steps that allow you to address these issues and generate positive outcomes. Remember to measure your efforts and track how people analytics helped you improve processes and performance.

## **How To Use People Analytics To Impact Business Performance**

Here are a few strategic ways to leverage people analytics to drive business performance:

### **Increase Employee Retention**

People analytics enables you to identify employee categories that are more likely to stay longer with a company and go the extra mile. But this practice also reveals whether some leadership and managerial styles are inefficient or frustrate hires.

### **Reduce Scattered Data Silos**

A holistic approach to employees as individuals and the organization as a whole is crucial for ensuring everyone strives toward the same goal and understands how interacting with different departments makes work more efficient. Develop a strategy that encompasses every aspect of a company and avoid fragmented data.

### **Set More Responsible Data Practices**

A clear and transparent approach to employee and business data ensures your company operates ethically and responsibly. As a result, you avoid compliance issues and cultivate an equitable and fair use of sensitive information and documents. You can also manage all organizational operations properly and maintain a thriving business that respects privacy and data concerns.

### **Improve Recruitment**

Data helps you set more realistic recruitment goals, identify skills gaps and measure whether your budget allows you to hire the candidate you want. But people analytics also accelerate the selection process by helping you identify the most compatible job applicant, reducing the time to hire and recruitment costs, and providing a better candidate experience.

### **Boost Employee Engagement**

Relevant insights can highlight whether your workers enjoy their jobs or checkout mentally as soon as they enter the office. For example, you can leverage people analytics and surveys to discover if your employees are happy with their managers and how they communicate.

### **Enhance Learning And Development**

Optimize employee training and provide better career growth programs by using relevant data. Discover the impact of your L&D program on business outcomes and tweak your efforts to provide stellar educational opportunities for workers.

Policies and strategies can only be efficient if you base them on data and take a fact-based approach. People analytics is a practice that lets you pinpoint potential issues and implement actionable steps that drive business performance and maintain workplace success.

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