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5 MYTHS OF PEOPLE ANALYTICS— DEBUNKED

People analytics is one of the fastest growing areas of HR technology today, delivering key insights and creating wins for people managers, their teams, and the business at large.

It helps businesses at every stage learn as much as possible about their employees, and optimize how they contribute to overall business success giving organizations a much-needed people advantage. According to a recent Visier research study,[1] publicly-traded Visier customers that are using people analytics outperform their peers—experiencing **12.1% higher profit margins and 5.6% higher return on assets.**

However, there are several myths that prevent businesses from truly benefiting from people analytics. As organizations create or expand their analytics strategies, here are five common myths to keep in mind:

Myth 01:	Fact:
With the right resources, your technical team can build a complete people analytics solution	A traditional approach with BI tools like Tableau, Qlik, and PowerBI may initially look cost effective—and even "easy." But, there are often hidden expenses that can run up to 20% more in costs in the long run.[2]

When assessing your organization's ability to build a complete people analytics solution, answer these questions:

- ☐ **Opportunity cost:** What is the opportunity cost of building people analytics in-house?

- ☐ **Business requirements and use cases:** Have you surveyed the current and future use cases that will drive your in-house people analytics solution?

- ☐ **Content, metrics, and data integrations:** Are you committed to building new key performance indicators and data integrations as your users' needs evolve?

- ☐ **HCM domain knowledge:** Do you have the HCM domain expertise needed to prepare and deliver relevant people insights across your organization?

- ☐ **Data lifecycle management:** What technology, policies, and procedures do you have in place to manage and control what happens to your people data?

- ☐ **Total cost of ownership:** What is the Total Cost of Ownership (TCO), including maintenance and labor?

- ☐ **Time-to-value:** What is the projected Time-to-Value (TTV) for the project?

- ☐ **Internal rate of return:** How does the Internal Rate of Return (IRR) compare to a purchased solution?

- ☐ **Innovation:** Will you able to enhance your in-house solution with new innovations at the speed your business demands

Choosing to build or to buy isn't always the answer. Sometimes, the answer is both. Large-scale enterprises and organizations with advanced data teams have specialized people analytics needs. In these instances, neither an in-house system nor a 3rd party vendor can meet all the requirements alone—they need both. A **"Build *and* Buy"** approach can yield better results, including much faster time to value, better insights, improved usability, and increased scalability—all at a far lower cost than building alone.

Myth 02:

Analytics is the last step in your HR transformation

Fact:

HRMS vendors typically don't include historical workforce data in new implementations, which limits your ability to perform predictive analytics, such as calculating which employees have the highest exit risk.

For HR to succeed, analytics needs to be a priority. Don't wait until your HRMS project is complete to implement the right analytics solution. A dedicated people analytics solution will be up and running with your data within weeks, and will help you measure the effectiveness and ROI of your new HRMS.

For example, The LEGO Group implemented Visier first before going live with Workday and have experienced many advantages. Visier helped them highlight and understand where they had data gaps or data quality issues that they needed to address before they embarked on the Workday implementation.

"During our Workday implementation, we looked at how to set ourselves up for success and get data and information fast. Visier enabled us to do that and leapfrog our maturity level."

Melissa Kantor,
Vice President of People Analytics and Insights, The LEGO Group

Myth 03:

HR management systems come with analytics

Fact:

By design, an HRMS is a transactional system that's built to make administrative HR tasks easier. This means any embedded analytics are simply an afterthought—not a core, strategic capability.

Your HRMS lacks	Which means it can't	Meaning HR can't
A multi-dimensional analysis system	Look at multiple attributes of data at the same time and provide accurate insights	Drill into the specifics of things like turnover, absence, and promotion, and identify insights that lead to improvements
Self-service analysis capabilities	Explore the data on the fly related to any workforce question that comes up	Drive dynamic discussions by providing the level of data-driven guidance that business leaders expect
Predictive analytics	Calculate and correlate all the available data in the employee lifecycle to make reliable predictions	Get ahead of people-related issues and act to reduce resignations before they happen, or ensure the right people are prepared for promotion opportunities
Prepackaged content, best practices, and benchmarks	Automatically turn data into actionable insights and show you what you need to measure, and where	Quickly provide insights into what's happening and why, the potential outcomes, and the actions the business needs to take

Myth 04:

Your data is not good enough yet

Fact:

Your data will never be perfect, and waiting for pristine data to leverage people analytics will leave you falling behind.

In fact, using a people analytics system actually makes it easier to spotlight and cleanse bad data. In working with our customers, we often find that once they get started with people analytics, they value just how quickly they can find data errors, dig into bad data issues, and overcome data challenges.

There will always be data errors. The way people records are created, maintained, and adapted will always be prone to them. And, as the business evolves, data standardization will present new challenges as new names, structures, and categorizations get layered into the existing data set. Having implemented thousands of people analytics systems, we've never met an organization with perfect data,—and we don't expect to!

For example, Protective Life needed a better way to gain actionable insights and make quick, data-informed decisions to reduce turnover, increase retention, and improve DEIB. Their HR analysts would spend days or weeks hunting down answers to leadership's questions, and even more time developing a digestible Excel spreadsheet to share their updates. By opting for Visier's pre-built analytics, they were able to free up resources to focus on strategy and move out of Excel to scale faster, expand capabilities, and centralize data.

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> "Visier takes all of our data from our different systems, transforms it—we don't have to clean that data— and then it's automatically visualized. When I hear about how other companies approach this when they've built their own, it sounds like way more headache for way less impact."

Courtney McCafferty,
HR Generalist, Protective Life

Myth 05:

People analytics only serve HR

Fact:

Business and people leaders are faced with complex decisions that have a direct impact on business outcomes.

Relying on HR analysts or HRPBs to deliver reports simply doesn't cut it. Making people analytics accessible to leaders outside of HR facilitates a data-driven culture, giving decision makers insights at the exact moment they need them.

For example, Standard Bank chose Visier because they needed a fresh, effective, and more strategic way to deliver data insights. They rolled out Visier and saw 5,000 managers become more effective with easily-accessible insights. They first rolled Visier out to the HR community, and after two months, continued to line managers to provide people leaders with full access to people data for employees within their reporting hierarchy. This means, line managers now have aggregate access to data for the business areas they are part of, including detailed data such as performance ratings, employee demographics, leave, and compensation information for the teams they directly manage.

Endnotes

[1]The Age of People Analytics 2021: Practices Leading to Value from People Analytics Maturity. (2021). Visier.
https://hello.visier.com/people-analytics-maturity-value-report

[2]Build vs. Buy: The Secret to Scaling People Analytics. (2021). Visier.
https://hello.visier.com/build-vs-buy-ebook.html

About Visier

Visier's purpose is to reveal the human truth about your workforce and contribute to a better future.

Visier was founded to focus on what matters to business people: answering the right questions, even the ones a person might not know to ask. Questions that shape business strategy, provide the impetus for taking action, and drive better business results.

Visier delivers fast, clear people insight by using all the available people data—regardless of source. With best-practice expertise built in, decisionmakers can confidently take action. Thanks to our amazing customers, Visier is the market leader in Workforce Analytics, with more than 15,000 customers in 75 countries around the world.

For more information, visit **visier.com**

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