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SURVEY RESULTS:

ADOPTION OF HR ANALYTICS ACROSS BC ORGANIZATIONS

PERCIPIENT SOLUTIONS LTD.

Prepared by: Claire Neale

About Percipient

Percipient Solutions is a Vancouver-based company that equips organizations to better understand their workforce using people analytics. We work with organizations to develop data-driven strategies for identifying, attracting, developing, and retaining top talent while respecting their bottom line.

We believe there is great potential for information to enhance decisions and optimize resources while supporting people in their work. Our CEO has 25 years of business experience, and our COO has a background in quantitative research and analytics. Drawing from our experience, we help companies establish key metrics and analyze workforce data.

Ultimately, we hope to support organizations' journey toward making informed, data-driven workforce decisions.



Tajinder Kumar
CEO & Founder

"We are pleased to have led and commissioned this survey so that Human Resource teams and other stakeholders are aware of the level of adoption of people analytics in BC. Without a doubt, analytics is a key driver for strategic Human Resources functions as it provides great insight and allows Human Resources leaders to monitor execution progress."
- Tajinder Kumar, CEO of Percipient Solutions

Introduction

Human resources analytics, often referred to as people analytics, is both the art and the science of leveraging employee data to inform strategic human resources decisions. As people are an organization's greatest asset, leveraging analytics to drive people decisions can have numerous benefits, including reducing attrition, increasing employee engagement, and in turn, driving competitive advantage.

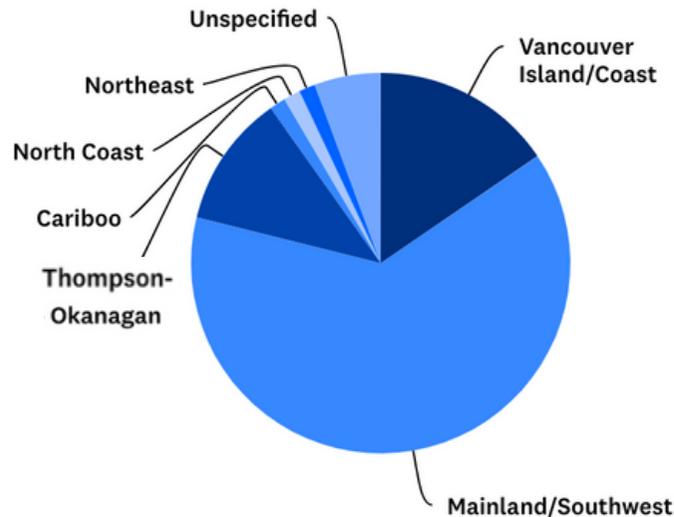
But not all organizations have adopted people analytics, and those that have are at varying degrees of analytics maturity. While some are at the descriptive stage (dashboarding and reporting), others may be implementing advanced predictive tools to forecast when employees are at risk for attrition, how potential hires will perform on the job, and which initiatives will best increase employee engagement.

While some information on the adoption of analytics across North American and Global organizations is available, we wanted to understand the local landscape. As Percipient is a Vancouver-based organization, we ran a survey to reveal what degree of BC organizations is adopting analytics within their HR departments. We received responses from companies from varying sectors, industries, sizes, and geographic locations across BC.

Most discussion around people analytics today focuses on the Googles, Microsofts, and Linkedins of the world; case studies, adoption surveys, and success stories generally feature ultra-large organizations. While analytics projects may be easier for large organizations to implement, medium-sized organizations should not ignore the benefits of leveraging people data.

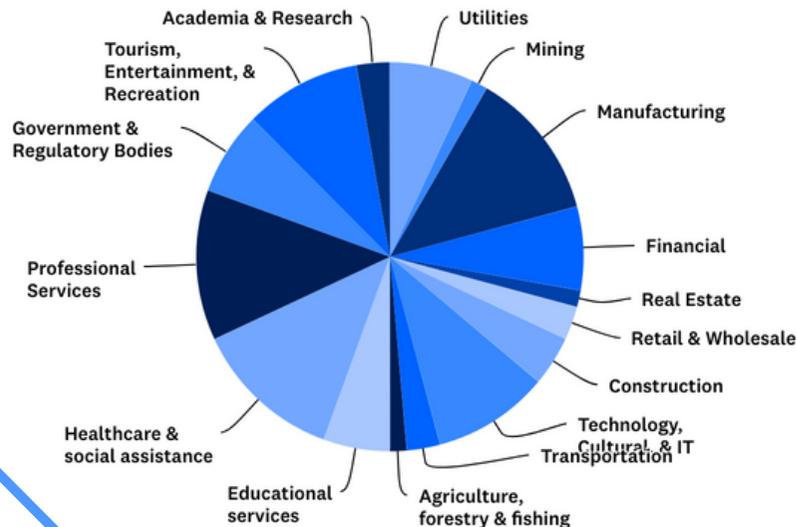
Through this survey, we our aim was to understand not only how large organizations in BC are using people analytics, but smaller to mid-size players as well, and demonstrate how they may benefit from data-driven approaches.

Respondents



Geographic distribution

The geographic distribution of our respondents reflects the distribution of businesses across the province fairly closely. 63.38% of our respondents came from the Mainland/Southwest region of the province, while 61.48% of businesses in BC are located in this region. 15.49% of our respondents were from Vancouver Island/Coast region, while compared to 15.3% of businesses. 11.27% of our respondents came from the Thompson-Okanagan region, whereas 11.8% of businesses are located in this region. The Cariboo, North Coast, and Northeast regions of the provinces were represented by 1.41% of respondents each, while 3.20%, 1%, and 2.1% of businesses are located in these regions, respectively. 5.63% of respondents did not specify their region.



Sector/industry distribution

The majority (55.56%) of our responses came from the private sector. 8.33% were crown corporations, 5.56% were government, 20.83% non-profits, and 9.72% other/unspecified. In addition, respondents came from organizations across a diverse range of industries in BC. The industries we received the highest responses from were Manufacturing (12.5%), Healthcare and Social Assistance (12.5%), and Professional Services (12.5%).

Distribution by size of organization

Our respondents also varied by size of organization, with 45.83% of respondents from organizations between 1-249 employees, 20.83% with 250-999 employees, and 33.33% with more than 1000 employees.

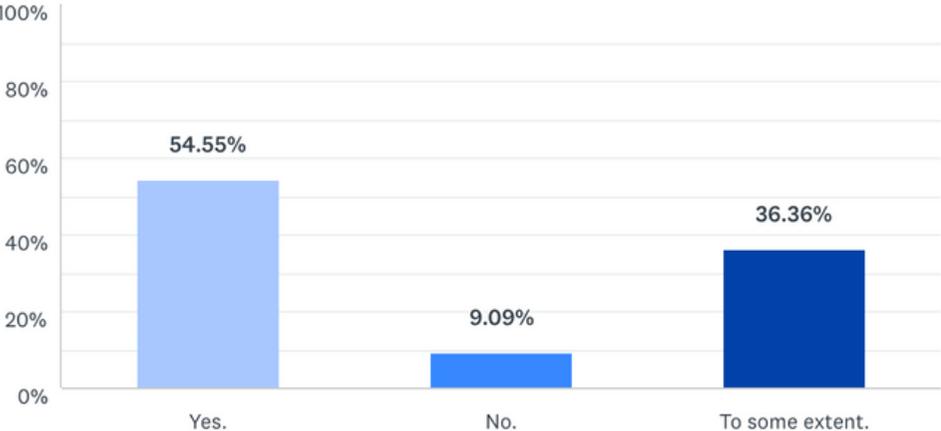
*Data on geographic distribution of BC businesses from Stats Canada (2017)

Results

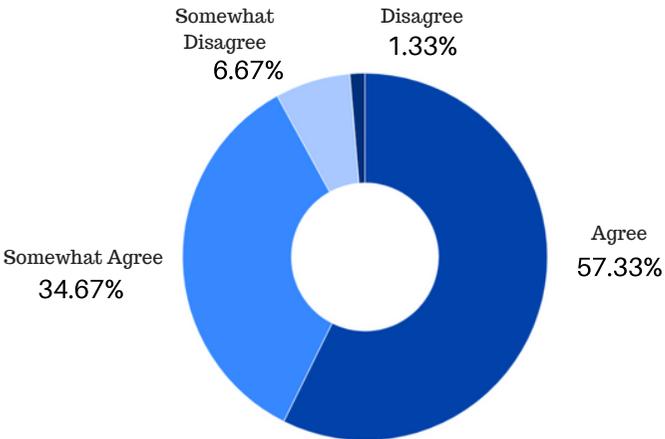
Research Question: Do organizations in BC see value in people analytics?

Our first research question sought to reveal to what extent BC organizations and human resource professionals see value in people analytics. To understand this, we asked respondents if leaders of their organization saw value in people analytics, and to what extent they agree that analytics will be the next driver of efficiency in HR.

Do leaders of your organization see value in HR metrics and analytics?



To what extent do you agree that data/analytics will be the next driver of efficiency in HR?

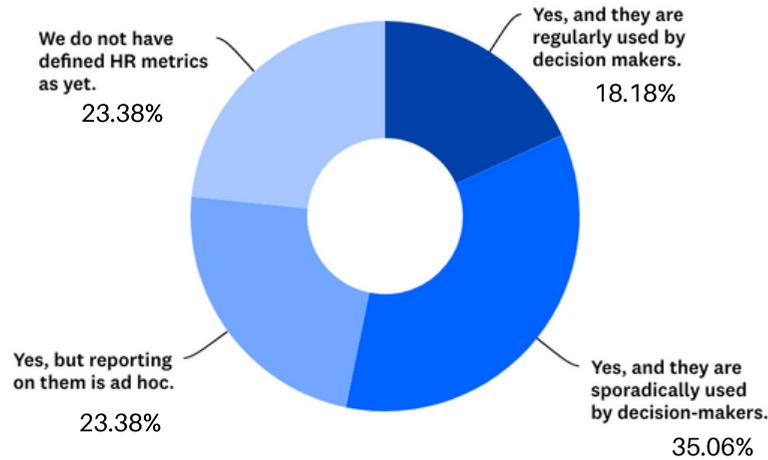


With only 9.09% of respondents indicating that leaders of their organization do not see value in HR metrics and analytics, and 1.33% disagreeing that data/analytics will be the next driver of efficiency, these results suggest that BC organizations understand the value that analytics can bring to their organization.

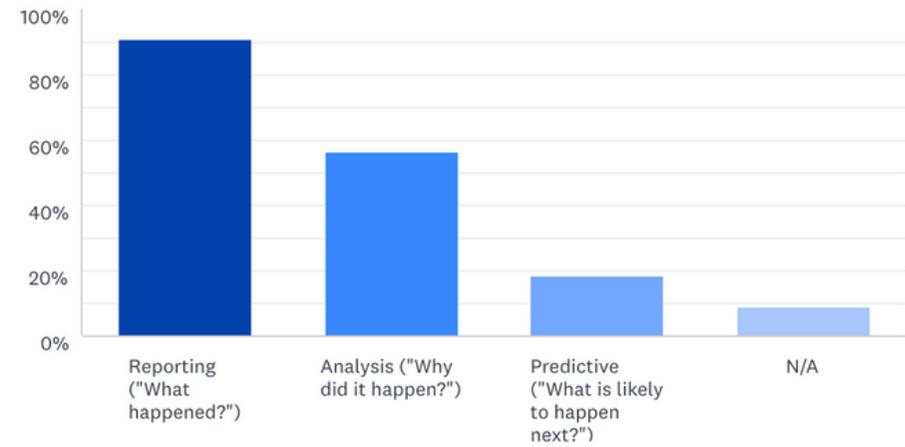
Research question: **To what extent are BC organizations leveraging people analytics?**

To gain a picture of the extent to which BC organizations are leveraging people analytics, we asked respondents about their use of metrics, how they are currently using HR data, and if they had roles within their organization dedicated to HR analytics.

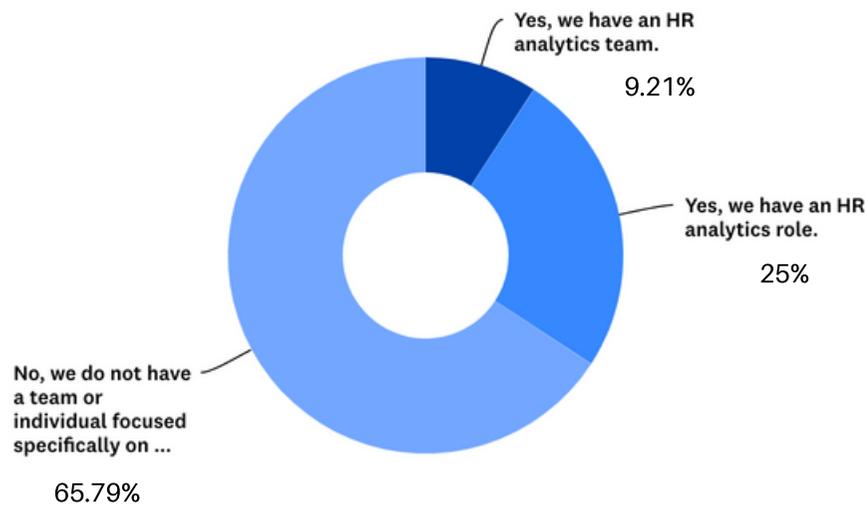
Does your organization have defined HR metrics?



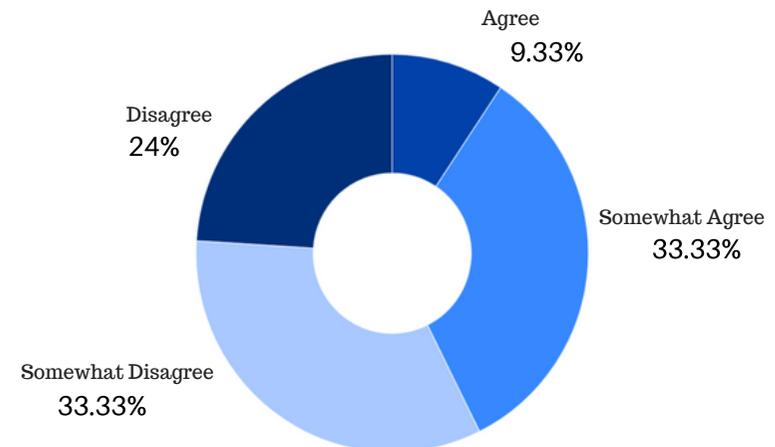
How is your organization currently using HR data?



Does your organization have roles dedicated to HR analytics?

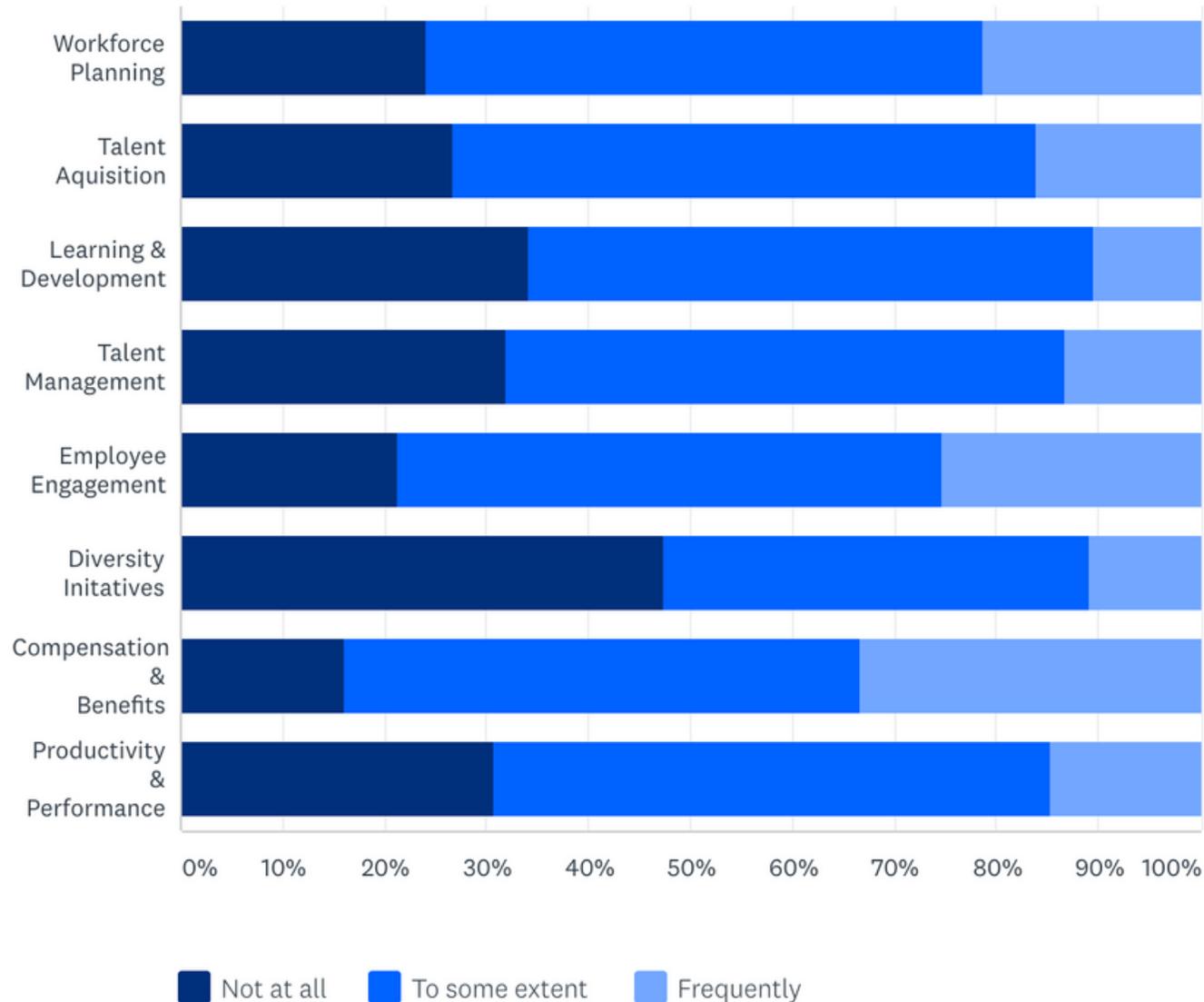


Are you satisfied with the degree to which HR data is used to support strategic decisions within your organization?



Research question: **What are the top use-cases for people analytics in BC organizations?**

To understand which HR functions people analytics was most commonly applied to, we asked respondents to rate how often they used people analytics for each of the eight use-cases described below.

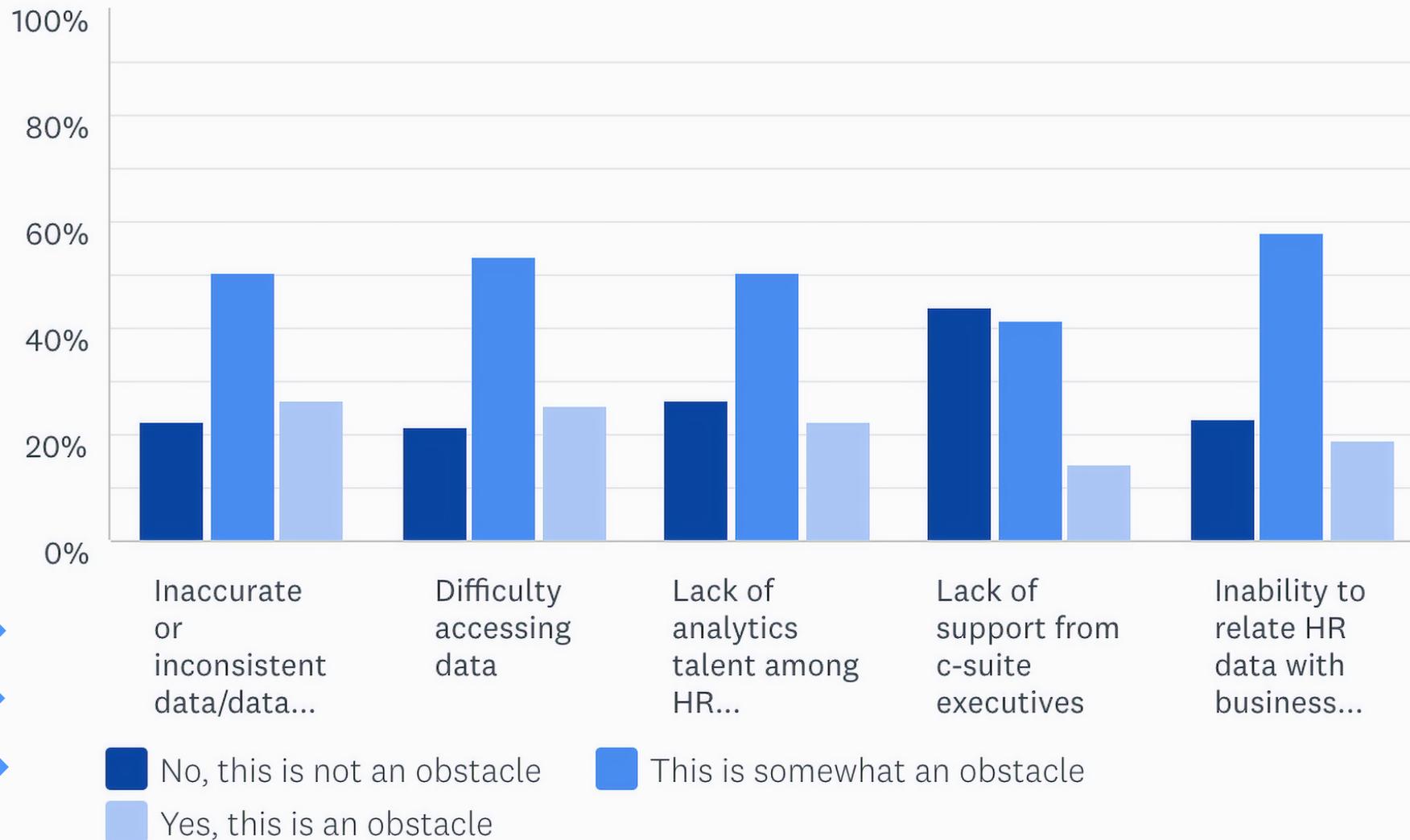


Our results indicate that the top areas in which BC organizations are leveraging analytics include compensation & benefits, workforce planning, employee engagement and talent acquisition.

The areas in which respondents indicated they use people analytics the least include learning and development and diversity initiatives, with 34.21%, and 47.30% of respondents indicating they do not use analytics at all for these functions.

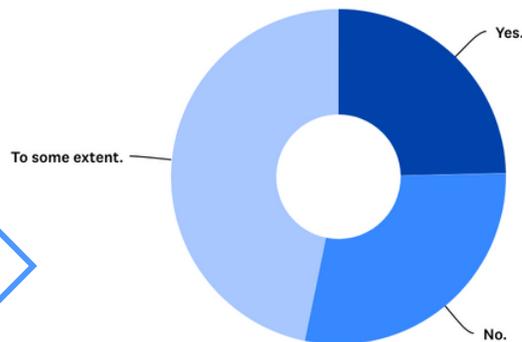
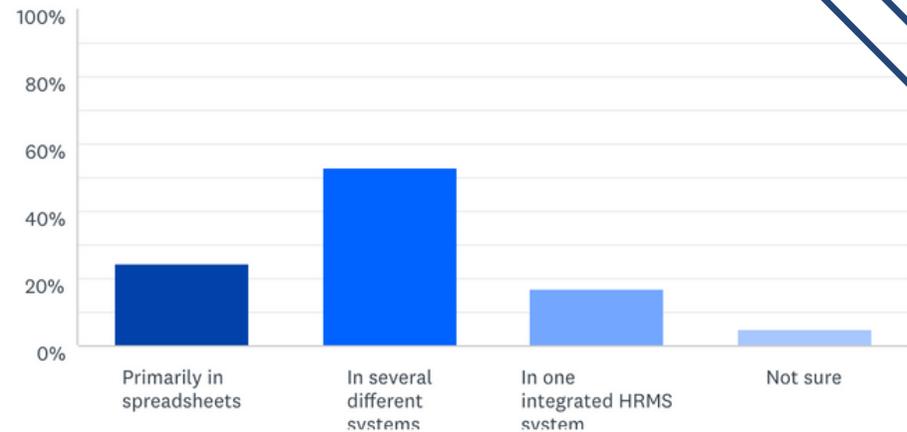
Research Question: **What obstacles are organizations facing to fully leveraging people analytics?**

To explore this research question, we asked respondents to rate five factors (inaccurate or inconsistent data, difficulty accessing data, lack of analytics talent amongst HR professionals, lack of support from C-suite executives, and inability to relate HR data with business outcomes) on how great of an obstacle they presented for their organization.



Difficulty accessing data

78.67% of respondents indicated difficulty accessing data is an obstacle or to some extent an obstacle. In addition, when asked where HR data resides, 53.25% responded "in several different systems", 16.88% responded "in one integrated HRMS system" 24.68% responded "primarily in spreadsheets" and 5.19% responded, "not sure".



Inaccurate or inconsistent data/data quality issues

When asked if they have access to reliable, standardized data for analytics, only 24.68% of respondents answered "Yes". 46.75% indicated they do "to some extent", while 28.57% responded "No". 77.33% indicated data quality issues are to some extent an obstacle, or an obstacle.

Inability to relate HR data to business outcomes

In addition to issues with data quality and accessibility, our results also demonstrate that HR professionals are held back by an inability to relate HR data with business outcomes, as 77.03% of respondents indicated this was either an obstacle (18.92%) or somewhat an obstacle (58.11%).

Lack of support from C-suite executives

56% of respondents indicated that a lack of support from C-suite executives was an obstacle or somewhat of an obstacle. Of this 56%, 14.67% report it being an obstacle, and 41.33% report it as somewhat an obstacle.

Lack of talent among HR professionals

73.33% of respondents cite a lack of analytics talent among HR professionals as an obstacle or somewhat an obstacle in fully leveraging HR analytics within their organization. Of this 73.33%, 22.67% report it being an obstacle, and 50.67% believe it is somewhat an obstacle.

Conclusion

The results of our survey indicate that human resources professionals in BC are aware of the value of people analytics, but the level of adoption remains relatively low. The majority of organizations that are leveraging people analytics are at the descriptive stage, and few report using more advanced techniques such as predictive analytics. The use of people analytics in BC organizations also varies by use-case, with the most common use-case being employee engagement, and the lowest being diversity initiatives. A common thread across all eight use-cases surveyed, however, is that frequency of use is largely limited "to some extent" with a smaller percentage using analytics "frequently".

The limited use of people analytics and low level of adoption can be explained in part by issues with data quality and accessibility, inability to relate HR data to business outcomes, lack of support from C-suite executives, and lack of analytics talent amongst HR professionals. Many respondents also indicated that they were not satisfied with the extent to which their organization was using data to inform strategic people decisions - further highlighting that HR professionals are aware of the power of analytics, but are having difficulties overcoming some of the roadblocks.

We believe that adoption will only increase going forward, due to this dissatisfaction amongst HR professionals with the degree to which organizations are using people analytics, and several shifts in both the landscape of business and human resources. These shifts are as follows:

1. Technology is generating data at an unprecedented speed. With digitization, all our activities leave a digital trace and more raw material to examine. Organizations will need to make use of this valuable resource to remain competitive.

2. Millennials are digital natives and demand greater transparency, which can be achieved through analytics and data-driven approaches.

3. As evidence-based management practices become more widespread, organizational efficiency and effectiveness will increase. As these practices become more sophisticated, more data would be needed to effectively manage human resources functions.

We believe the results of this survey should be considered in light of this backdrop.

If your organization would like to make data-driven people decisions to drive organizational change, Percipient Solutions would be happy to assist you. If you have any questions about this report or would like to discuss your people analytics journey, please contact us at info@percipient.ca