



People Analytics: improving business performance

**This guide will teach
you all you need to
know regarding
people analytics,
converting you in the
field of people
analytics.**

More than 70% of companies now say they consider People Analytics to be a high priority.

Are you wondering how to measure the engagement rate of your employees or how to improve your workers' performance? With people analytics you can manage your people more effectively using reliable data sources. By combining personal experiences as an HR professional and using scientific data which can also assist in anticipating certain scenarios, these are the answers to creating a more productive workforce.



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What is People Analytics?

PEOPLE ANALYTICS EXPLAINED



People Analytics incorporates the use of real people data or HR data to help your company and workforce make better decisions and solve its problems. This data needs to be collected and analyzed in order to improve an organization's workforce performance.

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Data based insights usually in the style of a report, will present a visual representation of what the company is doing well, or what is not working and needs improvement.



What is People Analytics?

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HR leaders must align HR data and initiatives to the organization's strategic goals. [People Analytics can help show how useful the initiatives are](#) and can be applied to analyze correlations between initiatives and strategic goals. Once the data has been recorded and gathered, it will provide HR professionals with useful insights. The process should be ongoing in order to achieve continuous improvement.



Firstly, let's identify some important measurements of success, by using KPIs. You can then assess the People Analytics based on the data obtained from KPIs. If the outcomes aren't as expected, the data can help you make more informed decisions. After this section, we will explain to you some key People Analytics that all HR managers should track and investigate, such as Employee Attendance data and Employee Time Off data.



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It's very common to speak of KPIs in marketing and sales, but more and more human resource managers are increasing the use of these indicators in their day-to-day work. In this eBook, we will discuss the seven key indicators that are used to monitor HR management.

KPIs can assist in determining the outcomes of People Analytics. It's important to measure what adequate performance looks like. As if the results of your work are not measured how can you possibly improve the management of your people? In order to measure success, it's important to identify KPIs

✓[Download our Free KPI Template here](#)

WHAT IS KPI

A Key Performance Indicator (KPI) is a metric that measures how effectively a company is meeting its main business objectives, through the performance of a particular activity or process. The performance indicators will serve as a references to analyse how close your company is to reaching its goals.

Example: The open rate of your newsletter: The % of individuals who open your newsletter will determine the relevance and quality of the content that you sent. Monitoring the open rate of each newsletter you send can help you evaluate the effectiveness of your posts depending on the goal you want to achieve.

Characteristics of a KPI

- **Concrete:** The KPI should be tangible and it should represent a specific goal.
- **Mesurable:** If you cannot measure the KPI, it isn't a KPI.
- **Reachable:** Stay realistic when defining KPIs that will determine your success.
- **Relevant:** Monitor only the things that really matter, don't waste time with indicators that do not contribute anything to your company.



RETENTION OF TALENT

The retention of talent is a KPI that indicates the job stability of a company. This allows you to learn about the average employee retention rate in the company whilst also being linked to other factors such as the remuneration or the labour climate. In addition to the cost of losing an employee, the loss of talent will force you to spend time and money to recruit a new individual. An index of high staff turnover implies high costs for the employer. The rate of talent retention is calculated by comparing the number of workers who joined the company in a specific period vs. those who stayed during the same period.

DURATION IN THE POSITION

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High employee retention is closely related to the length of time they are working in the same position. If they feel they won't be promoted, many employees tend to look for new opportunities elsewhere. You can calculate the average time it takes for an employee to ascend by counting the number of months it takes each employee with the same charge and dividing the result by the total number of employees in the company.

ABSENTEEISM

This indicator measures the [absences of employees](#) due to delays, sick leave, [maternity leave](#), [paternity leave](#) or excused or unexcused absences. This indicator can help predict the numbers you are expecting to see. Based on the average value of hours worked, the impact of absenteeism in the company's costs can be quantified.

AVERAGE TIME FOR RECRUITMENT

This measures the time between an employee announcing they are leaving a company and choosing and selecting another candidate to replace them. It is possible to optimize the average time of each new hire but be careful, many factors may be included here.

EDUCATION AND TRAINING

[Courses for employees](#) have a direct impact on the companies performance. This KPI is meant to help boost the productivity levels of each employee, by creating specific strategies to increase the loyalty and satisfaction rates of those employees.



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AVERAGE TIME TO ACHIEVE GOALS

This KPI measures the efficiency of your workforce to see how long it takes for them to accomplish certain tasks and goals. These goals will have been set in regards to their position in the company.



ACCIDENTS IN THE WORKPLACE

Being able to measure the number of accidents in the workplace is extremely important in order to avoid future potential issues.



TIME AND ATTENDANCE RECORD-KEEPING

IMPROVE YOUR DATA COLLECTION AND ANALYTICS BY TRACKING THE HOURS YOUR EMPLOYEES SPEND WORKING

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Monitoring employee's working hours is one of the most basic functions of the human resources department. In this eBook, we'll share with you the details of [how to keep track of employee hours easily](#) and generate reports for your company's time tracking. We'll do this by presenting a comprehensive system that makes employee time and attendance tracking simple. If you've been struggling with other tools or are tired of using Excel spreadsheets to keep track of everything we have the perfect [solution to all your timekeeping burdens](#). Download our [employee time tracking software free template!](#)

WHAT IS TIME AND ATTENDANCE TRACKING?

First, let's go over what employee time and attendance tracking is and what it means. The software counts the hours that each one of its employees has worked in a company, and how their hours are distributed throughout the day. This includes the hours employees work, overtime and any uncompleted hours.

WHY IS IT IMPORTANT TO USE THE RIGHT TIME AND ATTENDANCE TRACKING TOOLS?



The simple answer to this question is for accuracy and better record keeping of the tracking hours employees have worked. One of the most common questions HR managers ask is, **'How do I track employee attendance in a more flexible and automated way to increase accurate record-keeping?'**

Due to the new and rapidly evolving trend of [flexible working hours](#), it has become apparent how crucial finding the right system to keep an accurate registration of your employees' hours has become. Nevertheless, more often than not, the task of entering one's hours is neglected. The result of this is that the tracking hours worked are often left unrecorded. Workers then have to rely on their notes, paper timesheets, email history and agenda to keep track of time. We all know how unreliable these systems are. Additionally, this type of hourly time tracking is notorious for falling short when it comes to accuracy. Human error is inevitable, we all make mistakes, which is why online softwares should be deployed, minimising the risk.

PERSONALIZED TIME TRACKING SOFTWARE

Personalized software means all the information you may need to get real-time analytics, to make smarter workforce management decisions, is at your fingertips. Whether it's for viewing employees' time off to see who is working remotely for better shift management, adding notes to a shift on your employees' timesheet and also knowing which employees have fulfilled their working shifts. **Want more accurate People Analytics data? Why not download our free [Time and Attendance Excel Template](#).**



BENEFITS AND POSSIBLE DISADVANTAGES OF TIME TRACKING SOFTWARE

ADVANTAGES

- Know which employee is working, where and at what time. This is very useful in case of an emergency
- Make flexible schedules easier to manage by tracking hours worked
- Manage shifts by simply taking a look at the page which includes the schedules of all workers- especially useful if your company has a high staff turnover
- Keep count of the hours employees have worked, to see whether they have worked too many or too little hours

POSSIBLE DISADVANTAGES

- Employee productivity can be negatively affected if time tracking is not managed properly
- Observation of workers may become too intrusive, leading to a fear of being watched too closely
- More surveillance during working hours could cause anxiety among employees

Therefore, we recommend that you communicate the benefits of incorporating time tracking into your company with your employees, this will help avoid added stress in the workforce. Emphasizing the benefits that this system brings is absolutely key. If you do not, your employees may lose trust in you and may also lose their motivation to perform.

EMPLOYEE TIME OFF DATA

MONITOR YOUR EMPLOYEES TIME-OFF AND CREATE PERSONALIZED REPORTS SO YOU CAN ANALYZE PEOPLE ANALYTICS

[Managing your employees' time off](#) and tracking absences is a fundamental metric in measuring how productive your workforce is.

Everyone deserves time off work, therefore, successful time off management is essential for a company. Agreeing on who gets which days off is easier in smaller companies but when the capacity of employees grows, time off management gets more and more complicated and it can turn out to be quite like a Tetris game.

READ THESE 3 TIPS FOR SUCCESSFUL TIME OFF MANAGEMENT:

1.KNOW THE LAW ON HOLIDAY ENTITLEMENT AND EMPLOYEE HOLIDAY RIGHTS

This sounds obvious, but it's always important to make sure you're up to date with legal policies, especially if your company has different offices around the globe. Each country has its own laws regarding time off and you must know them.

In certain cases, collective agreements (always in favour of the employee) can change those laws slightly. Therefore, it's mandatory you look at your employee contracts. Can the employee forsake their holidays in exchange for money? What's the minimum annual leave entitlement? What's the employment law for public holidays?



The HR manager should keep an eye on the news and laws, to avoid serious problems from occurring. Furthermore, the employee must be aware of what their contract, agreement and country says regarding this topic so they don't misunderstand anything either.

2. KNOW THE PRIORITY ORDER

In some companies there's a standard where time off gets decided by certain employees first. Or in the worst case, the company decides who gets preference in a conflicting scenario. These guidelines normally focus on:

- **Employees with children.** To help their employees reconcile work and family, many companies favour employees with school-age children so they can ask for time off when their kids don't have to go to school. For example, in the Summer.
- **Seniority.** The staff who have been in the company for longer are the ones who get first pick. This can be seen as as a sign the company values loyalty.
- **Rotation system.** One of the fairest ways to decide holidays, so everyone gets first pick at some point. Employees must know which system is used in their company so they can adapt and organize, to avoid misunderstandings and a tense working environment.

3. USING THE APPROPRIATE HR SOFTWARE TO MANAGE HOLIDAYS AND TIME OFF

Once we know what the law says and the priority order in our company (if there's any), we need a way to keep track of every absence and request through employee time tracking. Many companies and HR managers still use complex hard to read excel sheets.



This can sound like a good solution, but in the long term it can be confusing and turn out to become quite time consuming. An excel calendar needs customization, technical skills and lots of time. It can get outdated very easily and quickly if someone receives the wrong document.

The best way to manage the absences of your employees is by using an [Employee Holiday Tracking System](#), a feature included in our software which offers to automate all these timely tasks. Each employee can access their account and request time off in just a few clicks. Their supervisor will then receive an email and accept or reject their request after looking at the team calendar. Staying organized and making sure there are still enough people on the team to complete the work demand is very important. The new absence will be updated automatically on the calendar so everyone in the company will know that the employee won't be available at the office and can therefore adapt accordingly.

Factorial's calendars can adapt to your countries bank holidays and the admin can create a Holiday Policy, to make sure all employees know how many days off they have. If employees haven't used all their holidays, Factoria's HR solution gives you the option to accrue holidays from one year to another.



HOW CAN MANAGING EMPLOYEE HOLIDAYS WITH A SOFTWARE SOLUTION HELP YOUR TEAM?

- All data regarding time off can be generated into reports, so managers have all the necessary data to track employees' time-off and make better decisions.
- Faster replies from HR managers to employees regarding annual leave and time off requests, something employees really appreciate when they are looking forward to a few days out of the office.
- It keeps your documents safe, preventing you from losing important confidential information or having the wrong eyes reading something that they shouldn't.
- It's handy for the employees too, as they can also login to the software and check personal data.
- And finally, employees will have a limited version of the software to prevent displaying information that you don't want to share with them!



KEY HR METRICS ON ABSENTEEISM

Employee absenteeism is one of the key metrics to keep on top of! Your company can use People Analytics to measure the impact of these metrics. In particular, there are three areas to consider:

1. **Employee Absence Rate** - otherwise known as unscheduled absence rate. This metric tracks the percentage of employees who are absent over a particular period.
2. **Employee Productivity Index** - with an increasing number of workers who work from home, or are required to travel for work, productivity is a key metric to track.
3. **Staff Overtime Expenses** - employees who work overtime tend to need more time off later on if they find themselves burnt out. If you notice your employee overtime higher than normal, watch out!

It is important to keep your finger on the pulse and track the happiness and wellbeing of your workforce. If an employee is satisfied with their job and future prospects at the company, they are more likely to be loyal, hardworking and productive. HR metrics such as Job Satisfaction Rate and Employee Productivity Index's will help you understand how your employees are feeling.



CONCLUSION

People Analytics is not just about collecting and analysing HR data relevant to Time and Attendance, Record Keeping and Employee Time Off Data. However, this evidence is essential and every HR professional should adopt this as a core value of best practice. People Analytics can also help you measure other key factors such as [Employee Performance](#). But before implementing People Analytics in your company, it is critical to highlight the fundamental success contributors i.e KPIs.

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