7 Rules to Remember with HR Metrics, Analytics, and Data
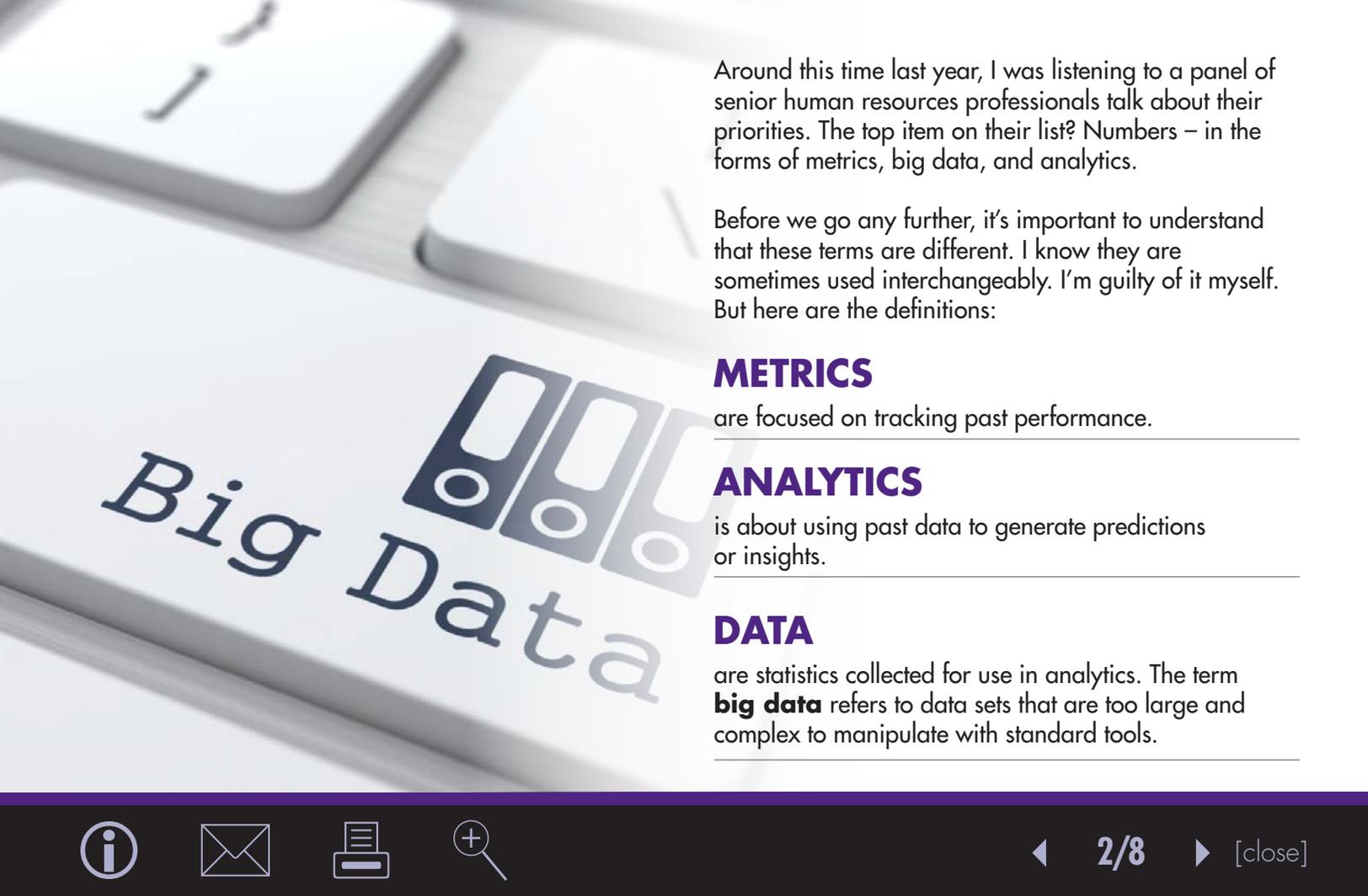
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BY SHARLYN LAUBY

Around this time last year, I was listening to a panel of senior human resources professionals talk about their priorities. The top item on their list? Numbers – in the forms of metrics, big data, and analytics.

Before we go any further, it's important to understand that these terms are different. I know they are sometimes used interchangeably. I'm guilty of it myself. But here are the definitions:

METRICS

are focused on tracking past performance.

ANALYTICS

is about using past data to generate predictions or insights.

DATA

are statistics collected for use in analytics. The term **big data** refers to data sets that are too large and complex to manipulate with standard tools.

Since then, I've really been paying attention to the numbers conversation. Human resources professionals **need to develop an affinity for the numbers**. It was a central theme at this year's **HR Technology Conference**. The reply "I'm not a numbers person." isn't acceptable – for any profession. I've learned the discussion about metrics and data isn't soley focused on the calculation. It's about interpreting the findings. That's not a math issue. It's a **critical thinking issue**.

Here are some of the rules I've learned when it comes to dealing with metrics, analytics, and data.

1. DEFINE THE METRICS OF SUCCESS.

Every organization has their own numerical definition of success. For example, I've worked in industries where triple-digit turnover was the norm. So getting turnover to 75% was a small miracle. In other industries, that would be totally unacceptable.

2. ESTABLISH TARGETS, INCLUDING ACCEPTABLE RANGES.

Speaking of defining success, it might make more sense to think of success "ranges" versus a single number.

3. CAPTURING DATA VERSUS USING DATA.

There is a difference between capturing data and actually using it. Companies should focus on capturing data that will have an impact on the business. It makes no sense to capture data just for the sake of it.

4. THERE WILL BE EXCEPTIONS.

If your department or organization is new to using metrics and analytics to make business decisions, having a dashboard can be very helpful. It provides people with one place to view the information.

5. CREATE A DASHBOARD, INCLUDING "AT-A-GLANCE" DATA WITH VISUAL INDICATORS.

If your department or organization is new to using metrics and analytics to make business decisions, having a dashboard can be very helpful. It provides people with one place to view the information.

6. LOOK FOR PATTERNS, TRENDS AND RELATIONSHIPS IN THE DATA.

Sometimes a single number will tell you something. But more often, the relationship between numbers will tell you a lot. A metrics dashboard (see #5) can help individuals see the connections and make good decisions.

7. TAKE ACTION.

This is the most important rule. There's no reason to spend time calculating and analyzing numbers if you're not going to do anything with them. Organizations need to commit to using the information they are gathering to **benefit the business**.

The numbers have always been a part of business. Technology is pushing the conversation about metrics, analytics, and data down **the organizational hierarchy**. A conversation that once was reserved for the C-Suite is now a skill that every manager needs to have.

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