2018 IPMA-HR Benchmarking Report

Beyond HR Metrics:
HR Analytics

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The goal is to turn data into information, and information into insight.

– Carly Fiorina

Executive Summary

Data from the Annual Benchmarking Survey, developed by the International Public Management Association for Human Resources (IPMA-HR) in collaboration with its Research Committee, inform this **2018 IPMA-HR Benchmarking Report — Beyond HR Metrics: HR Analytics.** A total of 386 responses were received from 6,701 IPMA-HR members. Key findings from the Benchmarking Survey include the following:

- The rate of organizations collecting HR metrics is relatively unchanged from 2010 at 70 percent. However, there is a 12 percent increase in public sector human resources professionals reporting the use of a Human Resource Information System (HRIS) since 2010. Medium and large organizations reported higher use of HRIS than small organizations.

- Over half of public sector HR professionals report using data analysis with the purpose of improving HR strategy and support. About 64 percent report having implemented HR analytics for over two years, with 63 percent of our members feeling "somewhat" to "a great deal" of value and support given to their HR analytics projects.

- Although IPMA-HR members feel their agencies value and support their data-related projects, only one-fifth of our members reported having their agency provide training for data collection, analysis, and software and programs used. HR practitioners mostly reported a need for software and basic data collection to develop their agency's capacity for HR analytics, followed by higher-level analysis and best practices training.

- The most common improvement from implementing HR analytics in their agency noted by our members was better communication with senior leadership, with over 80 percent of survey respondents communicating HR analytics findings with senior leadership. About 68 percent of members also felt that implementing and reporting on an HR analytics project affected HR's strategic influence "somewhat" to "a great deal."

- Most public sector HR professionals collect and analyze data for the purpose of impacting both internal and external processes. The findings are mainly used for reporting to HR and the organization, and for predicting trends and influencing decision-making processes.

Objectives

Responses to the 2018 Benchmarking Survey were analyzed to provide an understanding of the current state of analytics in the public sector human resources profession and to offer HR professionals suggestions for developing their own analytics at their agency.

The focus areas and objectives for the project were as follows.

- **Current state of public sector HR analytics**
  Understand the current state of HR analytics in public sector human resources. Determine the main purpose of performing data analysis and reporting. Assess the cultural support around HR analytics. Identify main improvements and obstacles in the practice of implementing HR analytics.

- **Changes since the 2010 report**
  Examine similarities and differences from the HR Metrics Report in 2010. Delve into areas of growth in data collection rates, length of an established data collection practice in agencies, and the types of metrics collected.

- **Common practices**
  Identify common HR analytics processes, tools and programs used in public sector HR. Establish what HR analytics processes are implemented in the functional areas of human resources. Highlight unique analytical projects implemented in public sector HR departments.

- **Training**
  Determine current HR analytics training opportunities for HR professionals. Identify the rate of training provided for data analysis and software. Assess the type of training public sector HR professionals need to support them in developing their agencies' capacity for HR analytics.

Methodology

IPMA-HR emailed the Benchmarking Survey to 6,701 public sector human resources members of the association on June 27, 2018. Two additional reminder emails were sent to members. For their participation, respondents were given the option to register to win a drawing for one of three $50 Amazon gift cards.

The survey received 238 completed responses and 148 partial responses for a total of 386 participants. The response rate is approximately 5.7 percent. The results of the survey have a 35 percent confidence interval at a 95 percent confidence level.

Demographics

The mix of respondents was highly representative of IPMA-HR's membership. Thus, no weighting of responses by demographic characteristics was required. Most of the survey respondents hold senior-level positions, with 61 percent of respondents being managers or directors of human resources. The chart below depicts the composition of survey participants by type of government organization, organization size and job title.

LEVEL OF GOVERNMENT WHERE EMPLOYED	n=237
Local/County/Town	71%
State	14%
Federal	3%
Special District	9%
Educational Organization	4%

ORGANIZATION SIZE BY EMPLOYEE COUNTY		n=237
Small	1 - 200	19%
	200 - 500	22%
Medium	500 - 1,000	18%
	1,000 - 5,000	23%
Large	5,000 - 10,000	11%
	10,000 - 20,000	3%
	20,000 +	5%

JOB TITLE	n=238
Director	32%
Deputy Director	6%
Manager	24%
Consultant/Partner	4%
Analyst	15%
Coordinator	3%
Assistant	2%
Other	14%

Note: Throughout this report, organizations with <500 employees are described as small. Those with 500-5,000 employees are described as medium or medium-sized, and those with >5,000 employees are described as large. Percentages do not always total 100 due to rounding and because some survey questions permitted more than one response.

2010 and Now: HR Metrics

In the 2010 Benchmarking Report, IPMA-HR focused on HR metrics. Now we take a look back and compare how the practice of collecting HR metrics has changed over the last eight years.

Throughout the report, "HR metrics" refers to HR-specific data, while "HR analytics" refers to the application of analytic processes to that data for the purpose of improving HR strategy and performance.

2010 and Now: HR Metrics
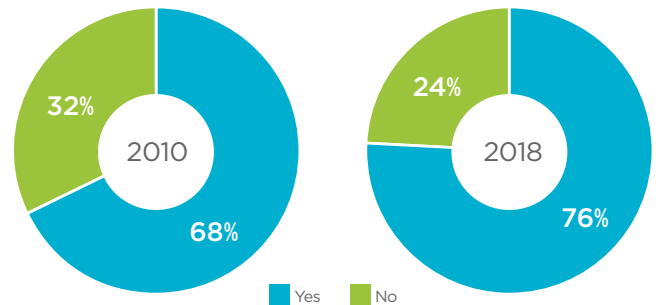
Data Collection and HRIS

Public sector human resources departments are collecting HR metrics at nearly the same rate they did eight years ago (2010, 69 percent; 2018, 70 percent). Currently, medium and large organizations collect HR metrics at a higher rate (82 percent) than small organizations (69 percent).

The rate of HR professionals in departments with Human Resources Information Systems (HRIS) increased from 68 percent in 2010 to just under 76 percent in 2018: a 12 percent increase. Medium and large organizations reported higher rates of employing an HRIS (80 percent and 91 percent, respectively) than small organizations (67 percent).

DOES YOUR AGENCY COLLECT HR METRICS?
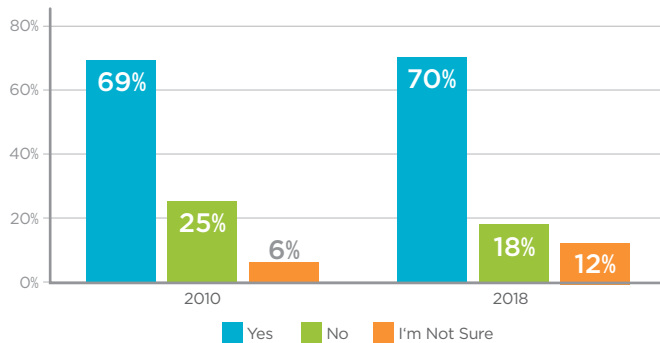
DOES YOUR AGENCY HAVE A HUMAN RESOURCES INFORMATION SYSTEM (HRIS)?

Length of Data Collection

The practice of public sector HR departments collecting data has been steadily increasing. In 2010, the majority of organizations had been collecting HR data for 2-5 years (22 percent), while in 2018, the majority of organizations have been collecting HR data for more than 10 years (23 percent). In 2018, a large percentage (32 percent — a 166 percent increase from 2010) cited "not sure" as a response, potentially implying that data collection is now a long-established practice.

HOW LONG HAS YOUR AGENCY BEEN COLLECTING HR METRICS?
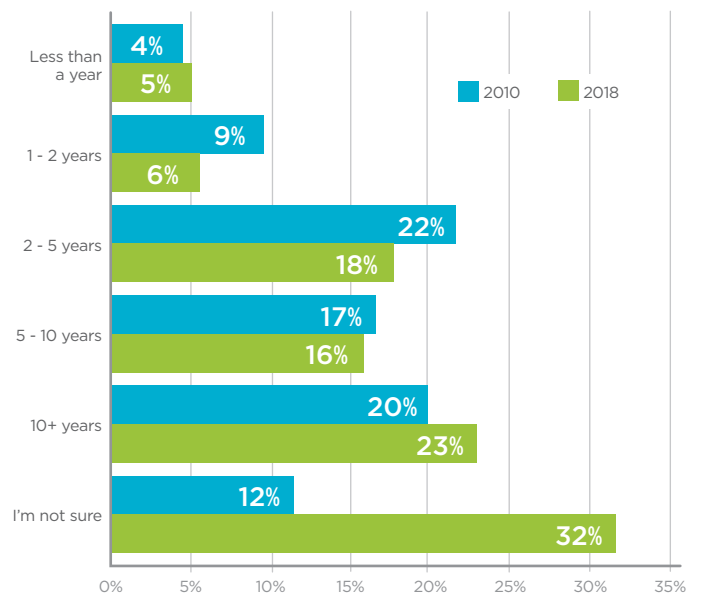
2010 and Now: HR Metrics

HR Metrics
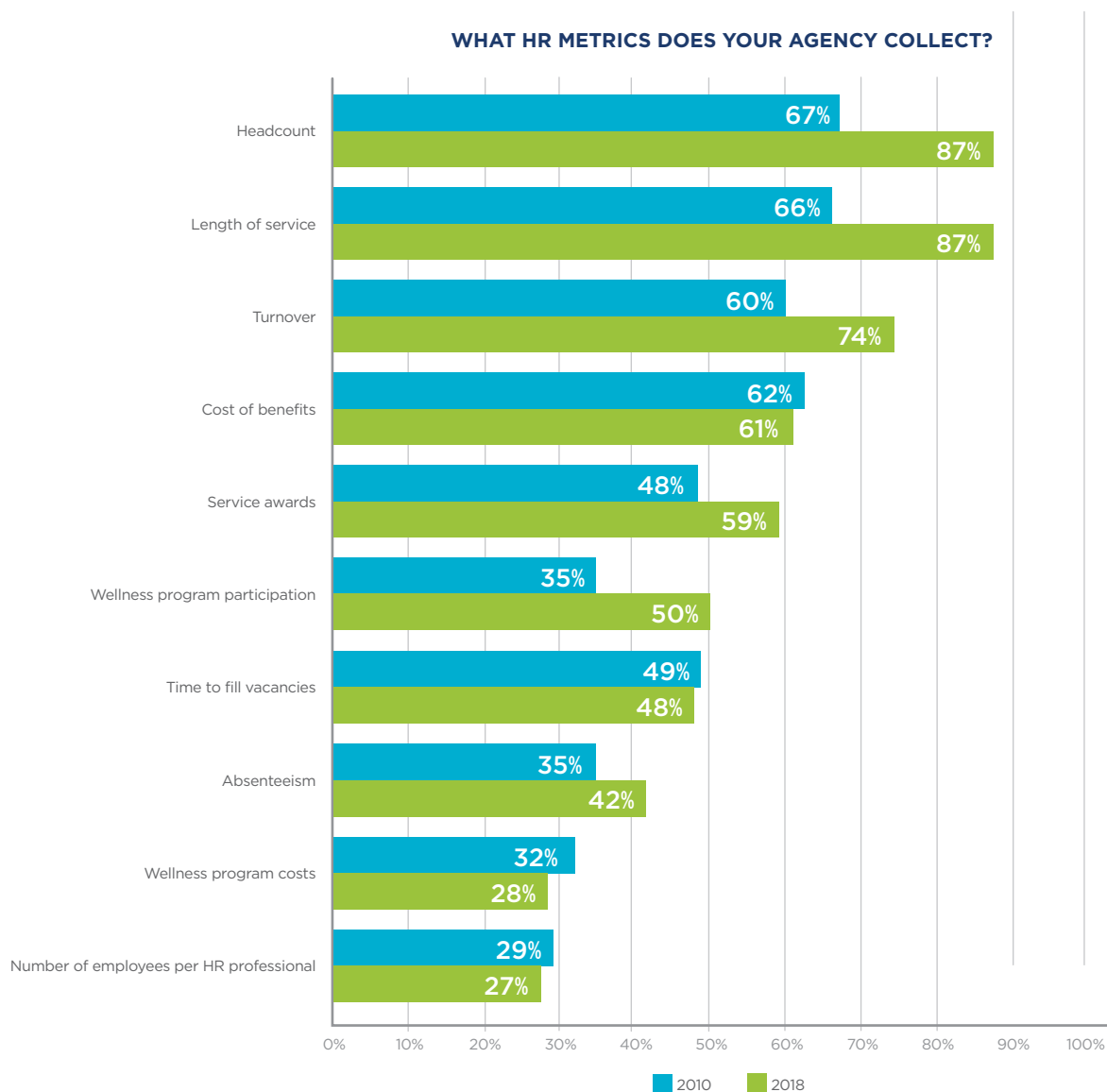
Headcount and Length of Service were the most commonly collected HR metrics in both 2010 and 2018. In 2010, length of service (66 percent), cost of benefits (62 percent), and turnover (60 percent) followed headcount as the most commonly collected items.

In 2018, length of service (87 percent), turnover (74 percent), and cost benefits (61 percent) were the most commonly collected metrics after headcount. Data collection for the top two most common metrics — headcount and length of service — increased by 20 percentage points from 2010 to 2018, which is a 30 percent increase in IPMA-HR members collecting these metrics over the past eight years.

WHAT HR METRICS DOES YOUR AGENCY COLLECT?

Metric	2010	2018
Headcount	67%	87%
Length of service	66%	87%
Turnover	60%	74%
Cost of benefits	62%	61%
Service awards	48%	59%
Wellness program participation	35%	50%
Time to fill vacancies	49%	48%
Absenteeism	35%	42%
Wellness program costs	32%	28%
Number of employees per HR professional	29%	27%

Beyond Metrics: HR Analytics

Moving beyond the practice of collecting HR metrics and into the practice of analyzing data allows HR departments move from a transactional role to a dynamic, transformational role in their organization. In this section, we strive to understand the current state of HR analytics in the public sector field.

Beyond Metrics: HR Analytics

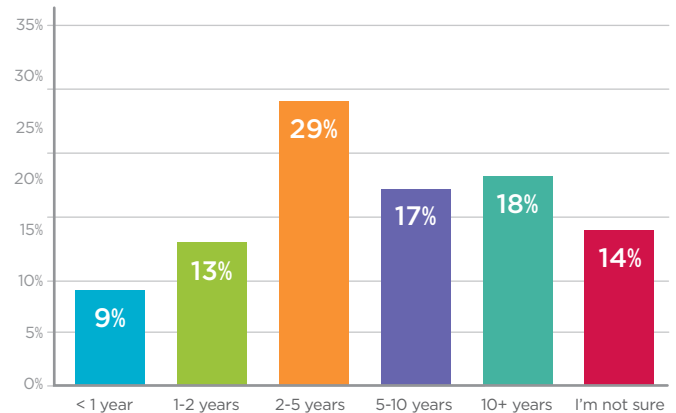### HR Analytics to Improve HR Strategy and Performance

58 percent of survey respondents reported their agency implemented HR analytic practices for the purpose of improving HR strategy and performance, with small organizations (49 percent) reporting less than medium ones (60 percent), and even less than large ones (73 percent).

From those 175 respondents who are implementing HR analytic processes to improve HR strategy and performance, the most common time frame is from 2-5 years (29 percent). However, for large organizations, the most common time frame is over 10 years (24 percent).

**DOES YOUR AGENCY IMPLEMENT HR ANALYTICS FOR THE PURPOSE OF IMPROVING HR STRATEGY AND PERFORMANCE? (N=302)**

- 58%
- 30%
- 12%
- Yes (n=175)
- No (n=91)
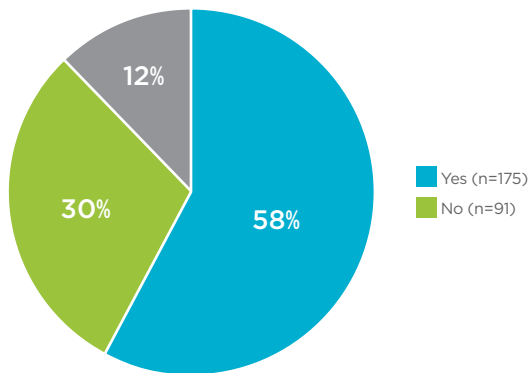
HOW LONG HAS YOUR AGENCY BEEN IMPLEMENTING HR ANALYTICS PROCESSES? (N=175)

< 1 year	1-2 years	2-5 years	5-10 years	10+ years	I'm not sure
9%	13%	29%	17%	18%	14%

Main Purpose of Data Collection

Sixty-four percent of respondents collect and analyze data to impact both internal and external processes. One-third of those only collect data that impacts internal HR processes. A small minority (2 percent), collect and analyze data for the purpose of only impacting external organizational processes.
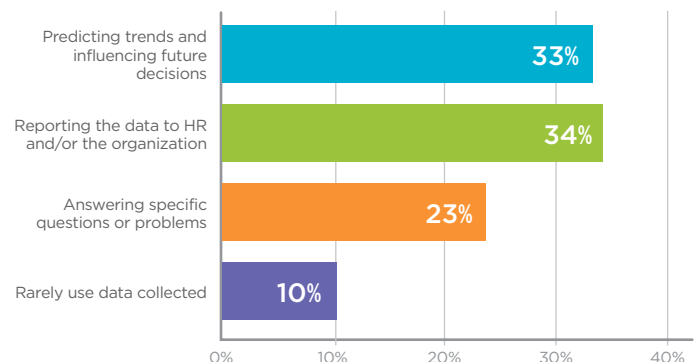
WHAT IS THE MAIN PURPOSE OF THE DATA COLLECTION/ANALYSIS CONDUCTED BY YOUR AGENCY? (N=251)

- 34%
- 64%
- 2%
- Impact internal HR processes
- Impact external organizational processes
- Impact both internal and external processes
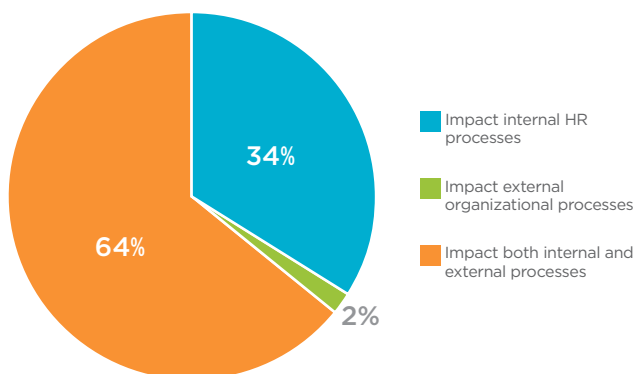
Usage of Data Collected

A small percentage (10 percent) of HR professionals are part of an organization that rarely uses the data collected. For the rest, it is nearly evenly distributed and used to answer specific questions the agency has, for reporting purposes or for predicting trends and influencing future decisions.

IN WHAT WAY DOES YOUR AGENCY MAINLY USE THE DATA COLLECTED? (N=257)

Predicting trends and influencing future decisions	33%
Reporting the data to HR and/or the organization	34%
Answering specific questions or problems	23%
Rarely use data collected	10%

Beyond Metrics: HR Analytics

HR Analytics Workgroup

One-third (33 percent) of HR professionals are part of an agency that has a person or team dedicated to HR data analysis. Of the 67 percent that don't have a dedicated person or team, 14 percent plan on adding one in the near future.

Organizational size was a predictor of whether an organization currently has a person or team dedicated to HR data analysis, with 62 percent of large organizations reporting "yes," and only 27 percent of medium-sized agencies and 21 percent of small agencies reporting in the affirmative.

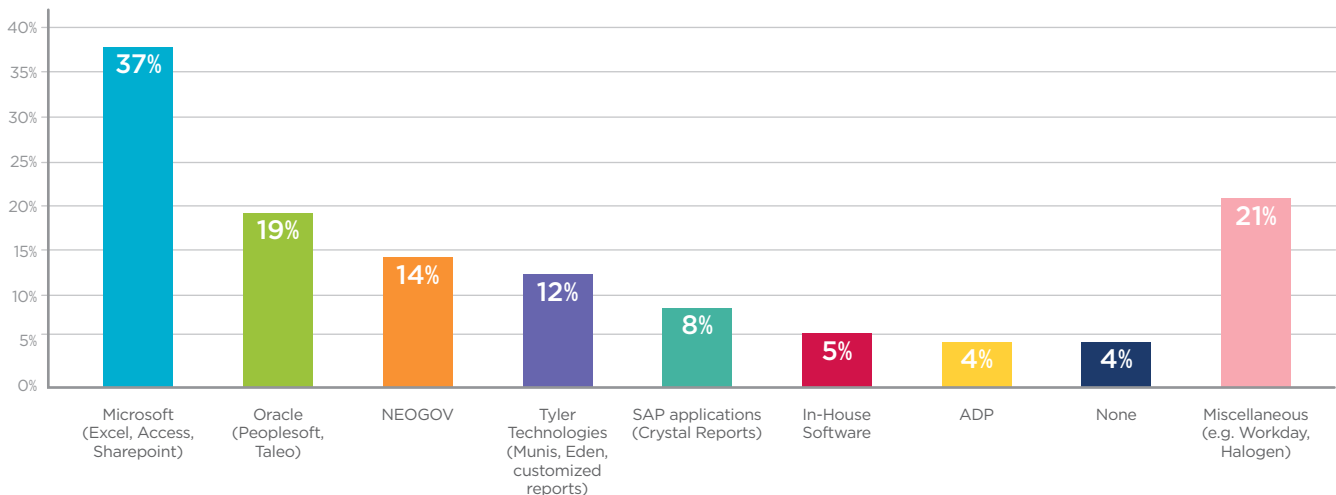**DOES YOUR AGENCY HAVE A PERSON OR A TEAM DEDICATED TO HR DATA ANALYSIS? (N=294)**

- 33% Yes
- 67% No
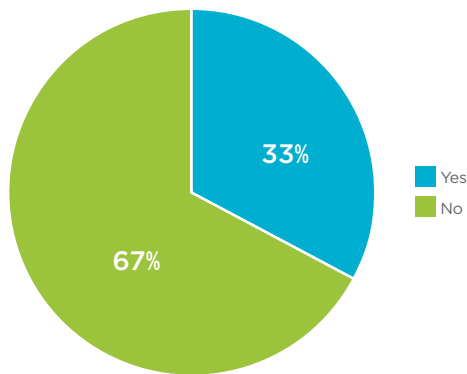
ARE THERE PLANS TO ADD A PERSON OR TEAM DEDICATED TO HR DATA ANALYSIS IN THE FUTURE? (N=196)

- 14% Yes
- 86% No
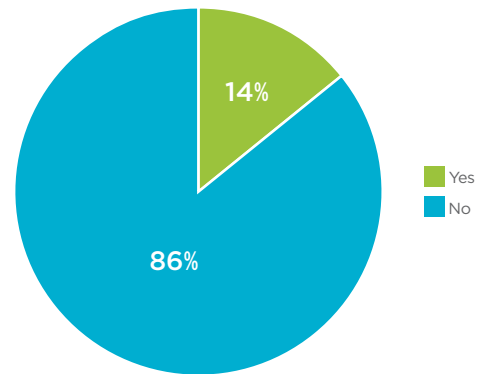
Software, Tools and Programs in HR Analytics

Microsoft tools were most commonly reported software used, with 37 percent of respondents mentioning its applications, particularly Excel, Access and SharePoint. Oracle tools were the second most popular at 19 percent, with PeopleSoft being the most popular application. NEOGOV (14 percent), Tyler Technologies (12 percent), in-house programs (5 percent), and ADP (4 percent) were also mentioned. Only 4 percent of respondents reported having no program in place to collect and analyze data, and 21 percent reported using miscellaneous programs, such as Workday or Halogen.

WHAT SOFTWARE OR PROGRAMS DOES YOUR AGENCY USE TO COLLECT DATA AND IMPLEMENT HR ANALYTICS?

| Microsoft (Excel, Access, Sharepoint)	Oracle (Peoplesoft, Taleo)	NEOGOV	Tyler Technologies (Munis, Eden, customized reports)	SAP applications (Crystal Reports)	In-House Software	ADP	None	Miscellaneous (e.g. Workday, Halogen)
37%	19%	14%	12%	8%	5%	4%	4%	21%

Culture Surrounding HR Analytics

The values, beliefs and attitudes of an agency are important influencers of how a particular culture develops in the workplace. In this section we report on the organizational support surrounding a data-driven culture in public sector human resource agencies.

Culture Surrounding HR Analytics

Value and Support for Analytical Findings

Nearly half of those surveyed felt their agency provides some support for their HR analytics-related projects and places some value on their findings during the decision-making process. About one-fifth of respondents felt their organization provided a great deal of value and support to data-related projects, and over a third feel very little to no value or support. No significant differences were found according to agency size.

**VALUE AND SUPPORT FOR HR ANALYTICS (N=254)**
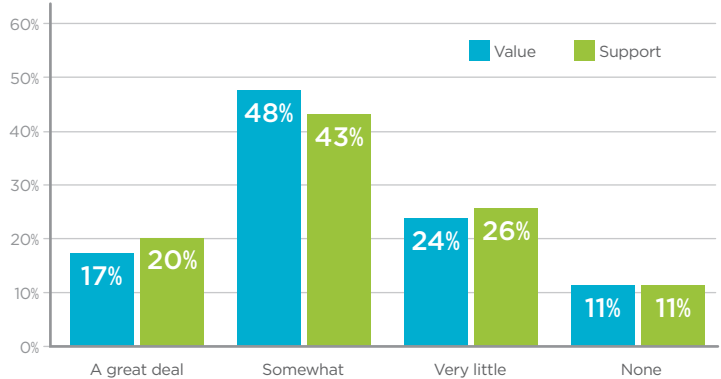
Strategic Influence

The majority of respondents (82 percent) share analytics findings with senior leadership, and about half said it has "somewhat affected" HR's strategic influence. Seventeen percent reported HR analytics affected their strategic influence a great deal, whereas just over one-third of respondents reported very little to no increase in their agency's strategic influence.

DOES YOUR AGENCY SHARE HR ANALYTIC FINDINGS WITH SENIOR LEADERSHIP? (N=254)
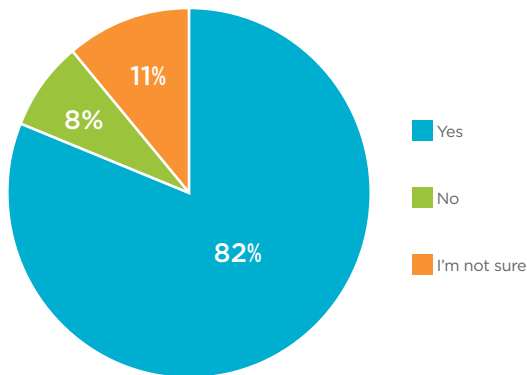
**HOW HAS IMPLEMENTING HR ANALYTICS INCREASED HR'S STRATEGIC INFLUENCE? (N=248)**
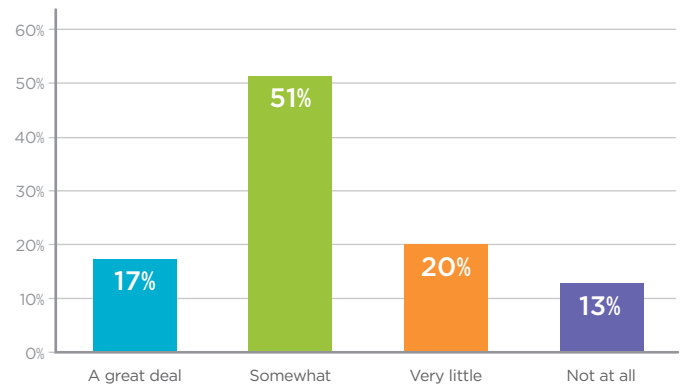
Over a quarter of public sector HR professionals responded that the use of HR analytics has affected the bottom line for their organization, while 23 percent reported that it had no effect, and more than half weren't sure.

HAS THE USE OF HR ANALYTICS BEEN ABLE TO AFFECT THE BOTTOM LINE OF THE ORGANIZATION?
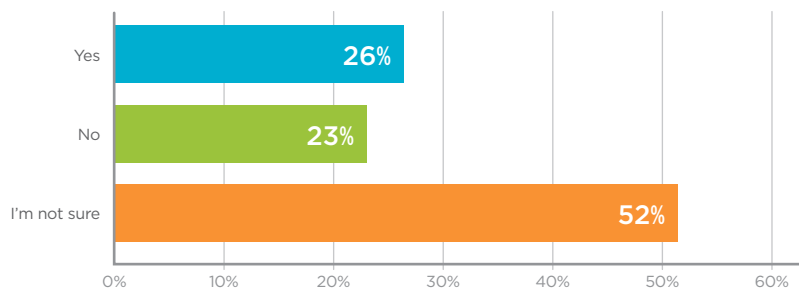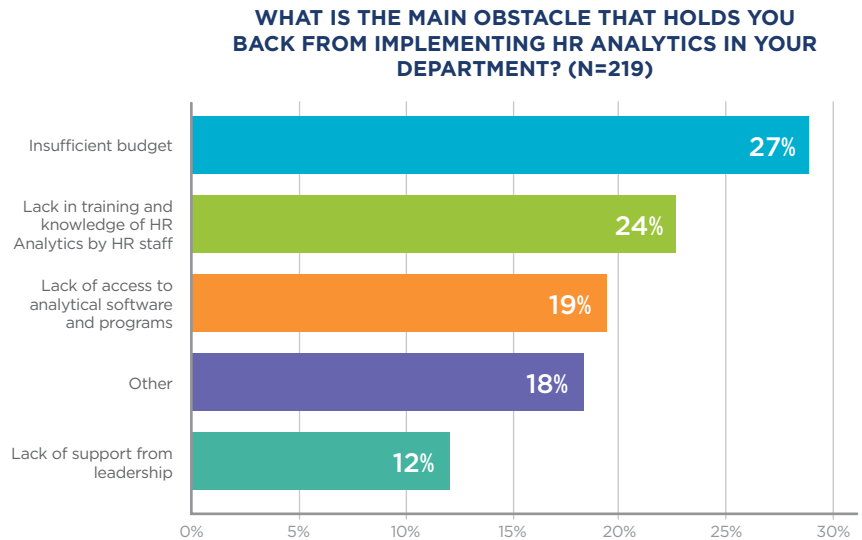
Culture Surrounding HR Analytics

Main Obstacle

The most common obstacle holding public sector HR departments back from implementing HR analytics is insufficient funding (27 percent), followed by lack of training (24 percent), and lack of access to analytics software (19 percent). Lowest on the list is support from leadership (12 percent), confirming earlier findings whereas the majority of respondents felt their agency placed "somewhat" to a "great deal" of value on and support for HR analytics.

Just under one-fifth of respondents chose "other," with typical comments regarding obstacles not listed as survey responses:

• "Lack of staff to track the analytics"

• "Staffing and time"

WHAT IS THE MAIN OBSTACLE THAT HOLDS YOU BACK FROM IMPLEMENTING HR ANALYTICS IN YOUR DEPARTMENT? (N=219)

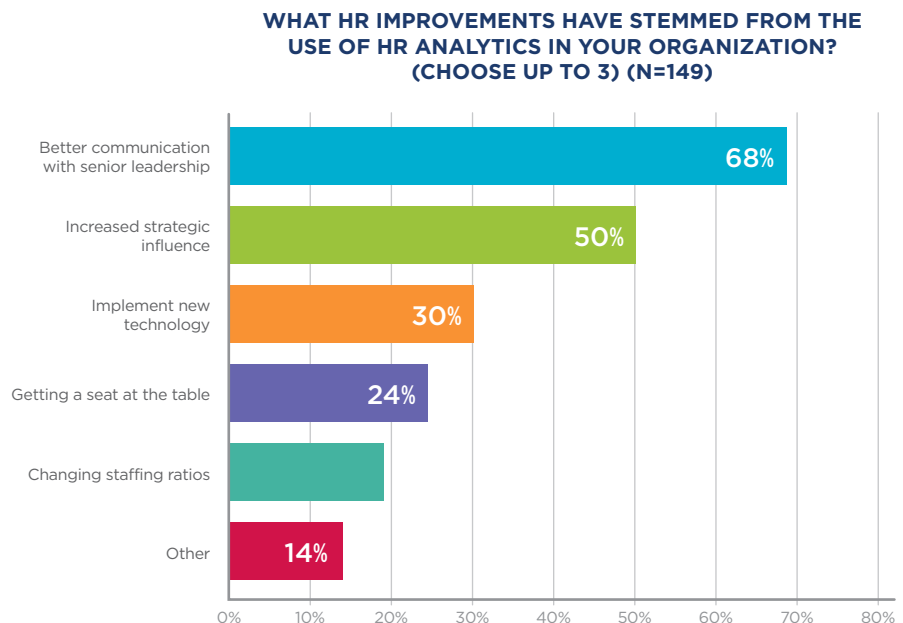| Obstacle	Percentage
Insufficient budget	27%
Lack in training and knowledge of HR Analytics by HR staff	24%
Lack of access to analytical software and programs	19%
Other	18%
Lack of support from leadership	12%

Improvements

When asked to choose the top three improvements stemming from the use of HR analytics, the majority of respondents chose better communication with senior leadership (68 percent), followed by increased strategic influence (50 percent), and implementing new technology (30 percent).

Some of the comments offered regarding improvements made as a result of the use of HR analytics that were not listed as survey responses include:

• "Improve engagement"

• "Provided focus/priorities for future goals"

WHAT HR IMPROVEMENTS HAVE STEMMED FROM THE USE OF HR ANALYTICS IN YOUR ORGANIZATION? (CHOOSE UP TO 3) (N=149)

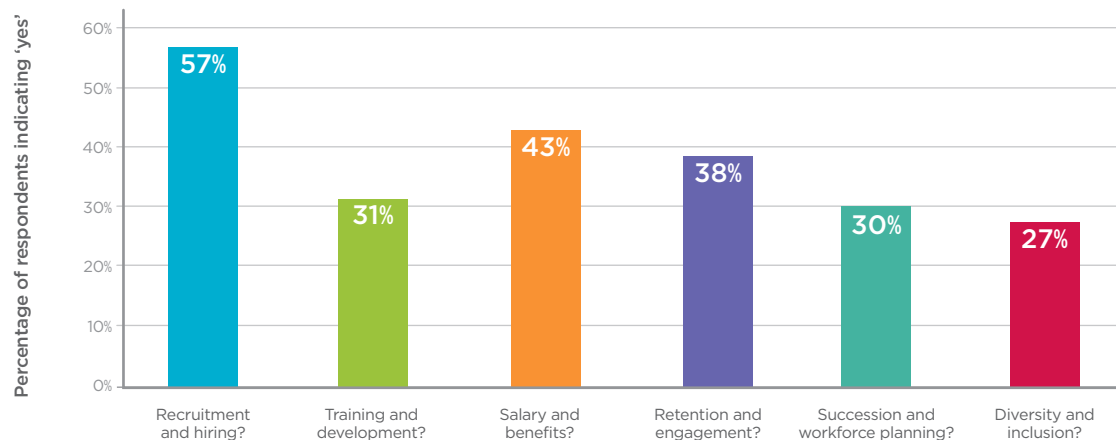| Improvement	Percentage
Better communication with senior leadership	68%
Increased strategic influence	50%
Implement new technology	30%
Getting a seat at the table	24%
Changing staffing ratios	
Other	14%

Analytics in the Functional Areas of HR

In this section, IPMA-HR members were asked to describe improvements in the functional areas of human resources that stemmed from the use of HR analytics, including recruitment and hiring, training and development, salary and benefits, succession and workforce planning, performance management, and diversity and inclusion. Below are the percentage of respondents who work for an agency that has implemented HR analytics to improve each of the functional areas of HR. Answers for each category were coded and evaluated for emerging themes.

Analytics in the Functional Areas of HR

HAS YOUR AGENCY IMPLEMENTED HR ANALYTICS TO IMPROVE...

Percentage of respondents indicating 'yes'

Category	Value
Recruitment and hiring?	57%
Training and development?	31%
Salary and benefits?	43%
Retention and engagement?	38%
Succession and workforce planning?	30%
Diversity and inclusion?	27%

Recruitment and Hiring

The most common improvement mentioned for recruitment and hiring was shorter time to hire (51 percent). The use of HR analytics has also helped HR departments update their recruitment strategy, find better suited candidates/hires, and provide more thorough data.

RECRUITMENT AND HIRING (N=119)

|	
Shorter time to hire	51%
Updated recruitment strategy	37%
Better suited candidates/hires	33%
Thorough data collection	6%
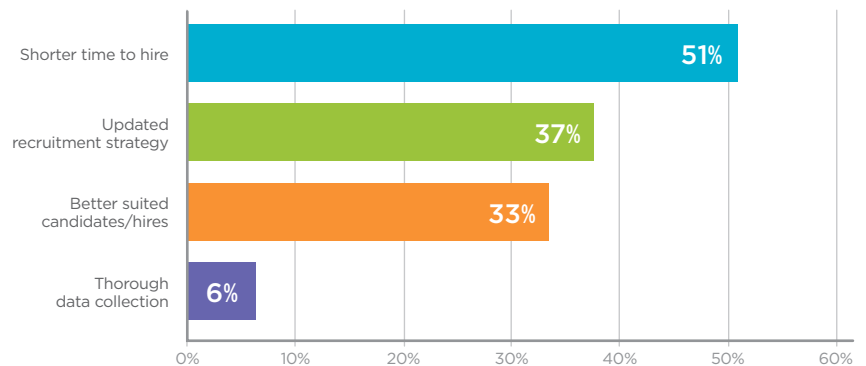
Training and Development

The practice of collecting and analyzing data has helped HR departments improve by being able to develop more effective trainings (40 percent) with the information collected. One-third of respondents stated that being able to identify training needs was one of the improvements that stemmed from their collection of analysis of HR analytics. Improving curricula and increasing participation are also common improvements in the public sector HR field.

TRAINING AND DEVELOPMENT (N=69)

|	
Develop effective trainings	40%
Identify training needs	33%
Improve current curricula	20%
Increase participation	11%
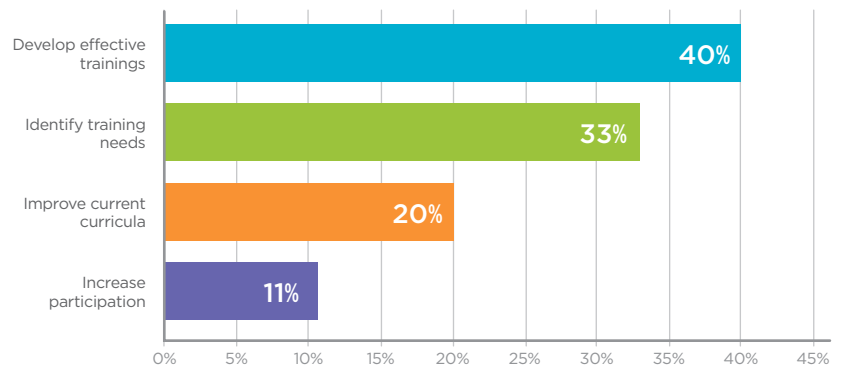
Analytics in the Functional Areas of HR

Survey results show that improvements in training and development are primarily measured by tracking participation and conducting post-training evaluations. Conducting annual surveys and testing/certifications are the other ways departments measure improvements in the area of training and development.

HOW DOES YOUR AGENCY MEASURE IMPROVEMENTS IN TRAINING AND DEVELOPMENT? (N=58)

|	
Track participation	35%
Post-training evaluations	31%
Annual surveys	21%
Testing/Certifications	8%
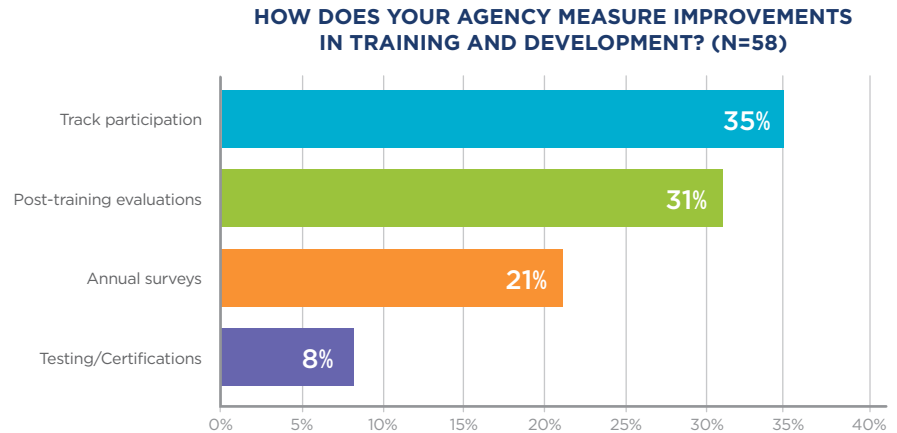
Salary and benefits

The most common improvement named from the use of HR analytics at public sector agencies is the ability to provide more accurate and thorough data for market studies. One-third of respondents have updated their compensation strategy as a result, 21 percent have adjusted their salary ranges, and 19 percent have reviewed and updated their benefits package.

SALARY AND BENEFITS (N=93)

Improve market data	32%
Update compensation strategy	30%
Adjusted salary ranges	21%
Review benefits package	19%
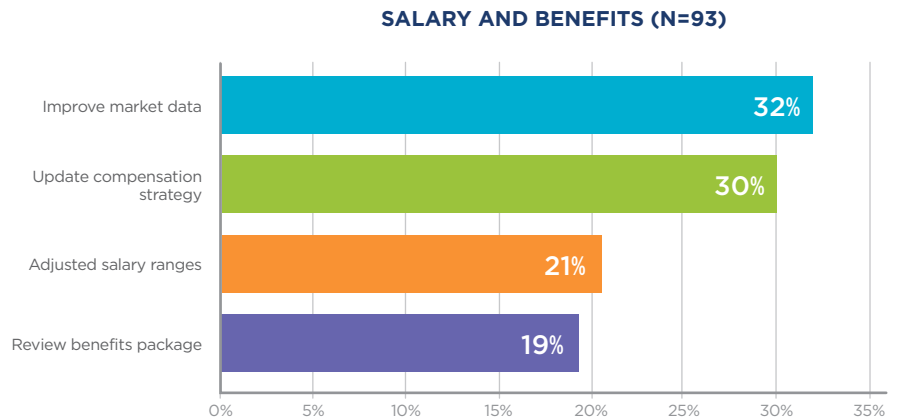
Succession and Workforce Planning

The main improvement brought on by the practice of collecting and analyzing data has been the ability to identify and report on areas of need for succession planning. Over one-third of respondents stated that they have already improved the succession plan at their organization due to HR analytics, while 18 percent have responded with the development of training programs.

SUCCESSION AND WORKFORCE PLANNING (N=62)

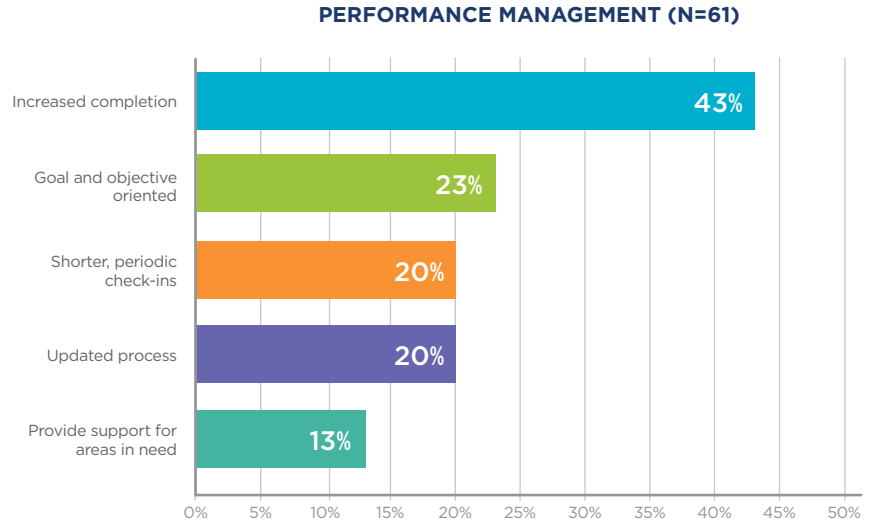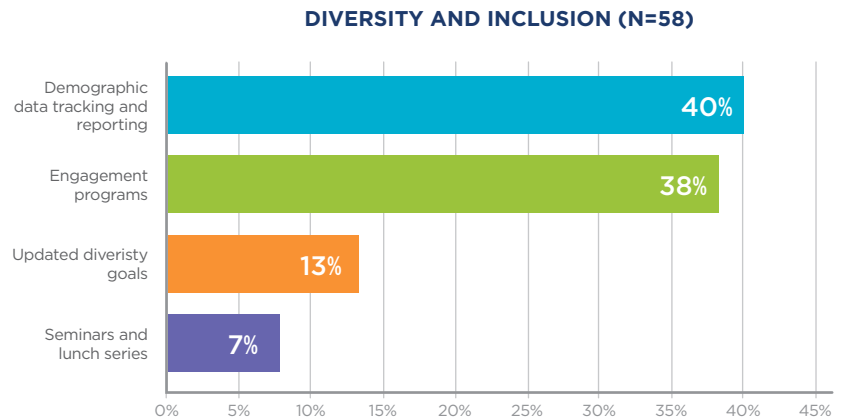|	
Identify/report on areas of need	45%
Improved succession plan	37%
Developed training programs	18%
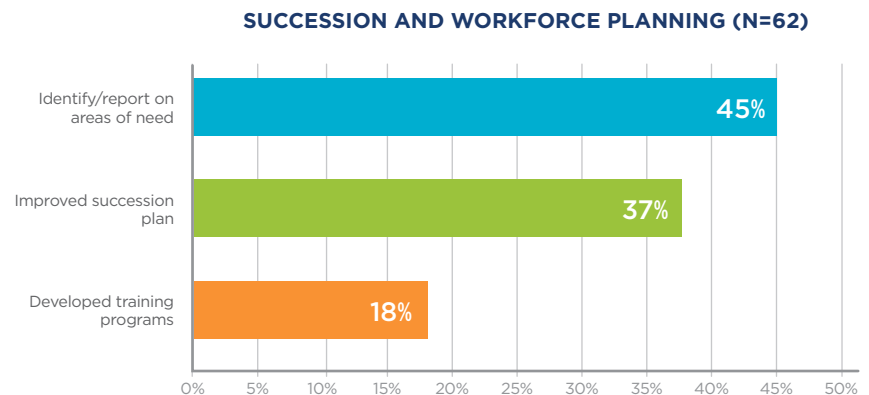
Analytics in the Functional Areas of HR

Performance Management

The most common improvement mentioned for performance management was increased completion rate (43 percent). The use of HR analytics has also helped HR departments switch to a goal-oriented evaluation approach, establish shorter, periodic check-ins, update their overall performance management process, and identify and support areas in need.

PERFORMANCE MANAGEMENT (N=61)

Category	Value
Increased completion	43%
Goal and objective oriented	23%
Shorter, periodic check-ins	20%
Updated process	20%
Provide support for areas in need	13%

Diversity and Inclusion

The main improvement brought on by the practice of collecting and analyzing data in the area of diversity and inclusion has been able to report on demographic data (40 percent). Over a third (38 percent) have developed engagement programs, while 13 percent have updated their diversity goals. A small percentage (7%) have ongoing seminars and lunch series as a response to the tracking of demographic data.

DIVERSITY AND INCLUSION (N=58)

| Category	Value
Demographic data tracking and reporting	40%
Engagement programs	38%
Updated diveristy goals	13%
Seminars and lunch series	7%

HR Analytics Training

Twenty percent of public sector HR professionals cited a lack of training as the main obstacle for implementing HR analytics in their organization. In this section we look further into what training opportunities are available for public sector HR professionals to help them develop their agencies' HR analytics.
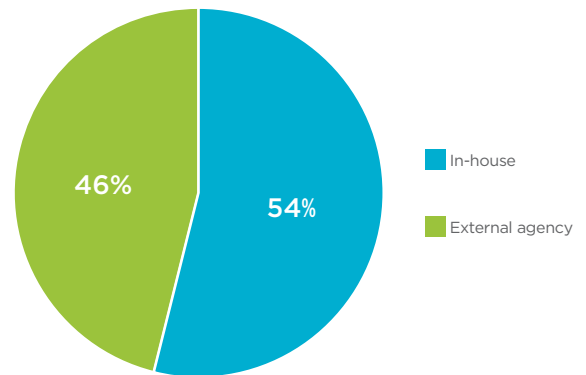
HR Analytics Training

Training for Data Collection and Analysis

The majority of HR professionals surveyed said their agency does not provide training in data collection and analysis. From the 20 percent who have access to training, over half receive training in-house versus through an external agency.

DOES YOUR AGENCY PROVIDE TRAINING TO HR PROFESSIONALS ON HR DATA COLLECTION AND ANALYSIS? (N=239)
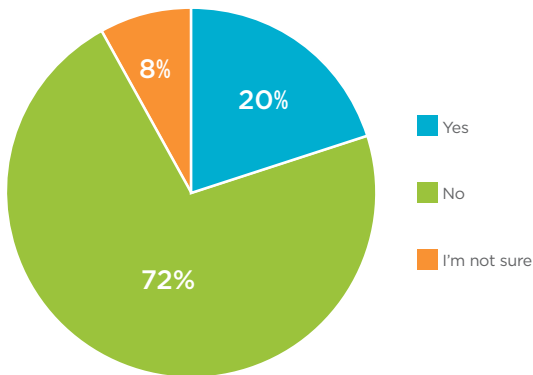
- 20% — Yes
- 72% — No
- 8% — I'm not sure

IS THE TRAINING PROVIDED IN-HOUSE OR THROUGH AN EXTERNAL AGENCY? (N=48)

- 54% — In-house
- 46% — External agency

Training for Software, Programs and Tools

Training for software, programs and tools to perform HR analytics is also uncommon for our members, with 71 percent not receiving training. For the 19 percent of members whose agency does provide software or program training, the majority receive the training in-house.

DOES YOUR AGENCY PROVIDE TRAINING FOR THE ANALYTICAL TOOLS OR PROGRAMS USED TO IMPLEMENT HR ANALYTICS? (N=238)
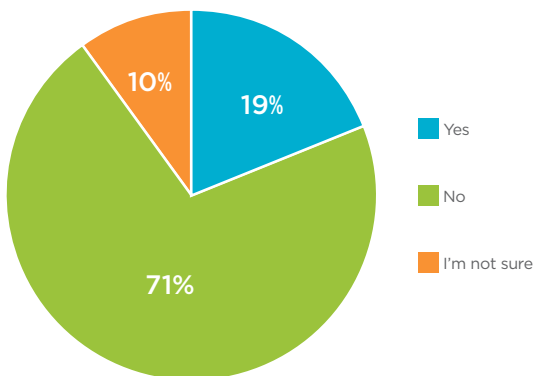
- 19% — Yes
- 71% — No
- 10% — I'm not sure

IS THE TRAINING PROVIDED IN-HOUSE OR THROUGH AN EXTERNAL AGENCY? (N=44)

- 71% — In-house
- 30% — External agency
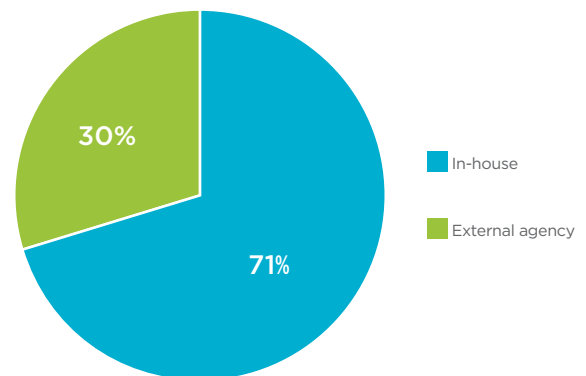
HR Analytics Training

Training Opportunities

When asked what training opportunities would support them in developing their agency's capacity for HR analytics, the majority of respondents mentioned basic software and data collection. Over a quarter focused on higher-level analysis, and a mere 7 percent mentioned providing a collaborative training environment focusing on best practices across the public sector human resources field.

WHAT TRAINING OPPORTUNITIES WOULD SUPPORT YOU IN DEVELOPING YOUR AGENCY'S CAPACITY FOR HR ANALYTICS? (N=94)

Category	Percentage
Collaborative training	7%
High level analysis	26%
Data collection	40%
Software	40%
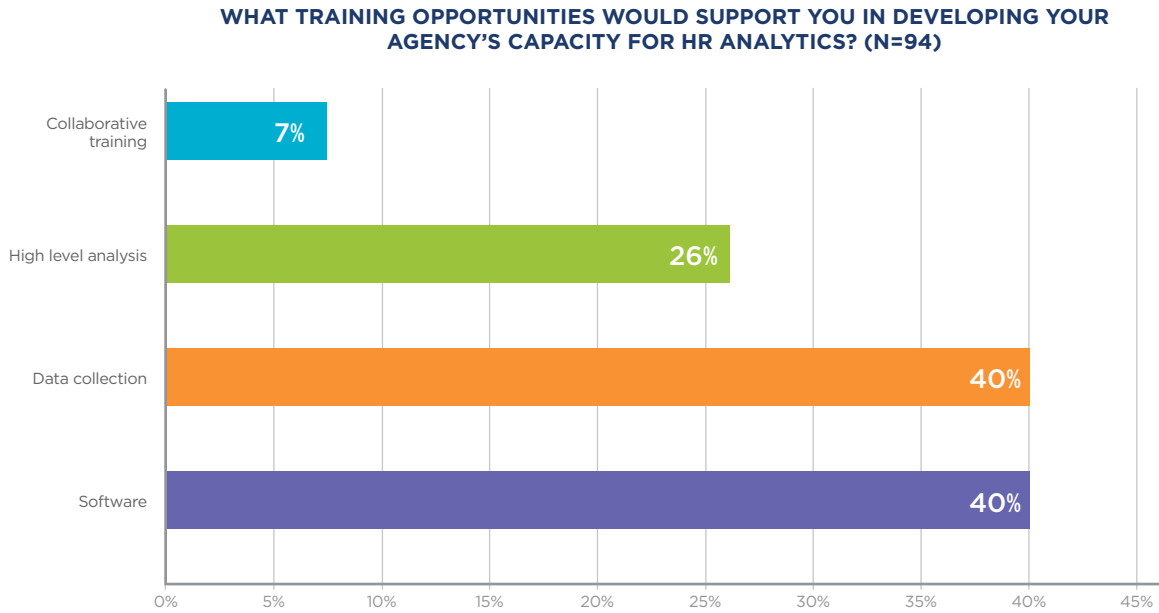
Case Study 1

Performance Management Program Update Through Satisfaction Survey Results

Organization
City of Mooresville, NC

Contact
Keli Greer
HR Director
City of Mooresville, NC

Organization Profile
The Human Resources department staff oversees and coordinates several programs and services for the town's employees. The services provided include compensation and benefits, employee relations, organizational development and learning, and performance management.

Initiative
The organization conducted an employee satisfaction survey and focus groups. At the time the organization used a competency based performance evaluation system and the employee feedback was that it was too long and it was awful. They revamped their appraisal to be 6 questions. Both the employee and manager answer the questions. There is no scoring system just an overall score of Below Expectations, Meets Expectations or Exceed Expectations. In essence, it is a focused performance conversation focused on their goals, value they bring to the organization, development needs and what is needed from the employee or from the supervisor. The employee completes the evaluation first, then the manager does it, then the employee can add comments. There is also a 6 month informal check-in. The annual evaluation is tied to a merit increase based on the overall score. Below expectations they receive no merit or longevity pay. Meets expectations and Exceeds Expectations are based on the budgeted increase percentage.

Measurement/Outcome
They feel they have buy in from employees and management and the quality of feedback from the employees is better. From an HR perspective they are seeing a higher percentage coming in on time with this new formal. They are planning to do another employee satisfaction survey in the next year or two and will get additional data from that. They have also seen an increase in employees being promoted and being successful in the positions. This is based off of the development needs question. The employee can request a career path plan be set up for them.

Lessons Learned
Long term employees questioned how it is measuring anything. They had an honest conversation with the employees about the questions and how it would be utilized.

Case Study 2

Total Compensation; Projected Payroll; Training Needs

Organization
Gallatin City Government

Contact
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Gallatin City Government, TN

Organization Profile
The Department of Human Resources (HR) advocates for and provides superior, innovative, ethical, and responsive services and benefits to attract, motivate, and retain a talented, diverse, and committed workforce. HR provides management and oversight of employee services, benefits, and personnel policies and programs.

Initiative
Total Compensation Comparisons

Measurement/Outcome
We gathered data from the Salary and Benefit Study. We did a one to one comparison on salary and programs. The outcome is seeing our positioning with other municipalities and programs.

Lessons Learned
It's best to compare apples to apples. Sometimes departments will want to compare with much larger municipalities, which is ok, but may not be realistic. It's still important to consider it though, as job markets remaining so competitive.

Initiative
Current Payroll Total and Projected Payroll Total and Total Cost of each individual benefit program for past 5 years

Measurement/Outcome
We looked at salaries in payroll. Using this data, we calculated the percent growth. Payroll is reviewed for benefit programs additions and balancing personnel needs vs. capital needs. The outcome is more attention to personnel costs overall.

Lessons Learned
Retirements and Retention affect the overall payroll as more senior positions retire, minimum hiring reflected in numbers

Initiative
Training Programs, Estimated Costs and Types of Training

Measurement/Outcomes
Gather data from attendance records and employee surveys. We look for what programs are requested by department and employees, attendance concerns, costs kept at minimum. The outcome was having a more prepared workforce, more development, expanded to include educational incentives, like getting a two-year degree TN for free.