

People Analytics Technology Market Map Tool – Methodology



This tool is a culmination of nearly a year of qualitative and quantitative research. We kicked off our People Analytics Technology study in the spring 2020 by launching an online poll for practitioners and vendors to find out what they want to know most about People Analytics Technology. We received more than 70 responses on the poll.

The next step in the process was the launch of our People Analytics Technology Vendor Survey in June 2020. In order to participate in our study, vendors had to complete our 317-question long survey, which included questions on different user capabilities, talent areas of focus, and the range of solution capabilities. Each vendor could share details for up to 3 people analytics solutions. They were also asked to share case studies, representative screen shots of their technology, logos, and complete a 60-90-minute briefing and demo with us. The vendors had the option of providing prerecorded briefing videos if they preferred. The briefings took place during July-October 2020. We also requested of vendors to share with us their login to their demo environments, if possible. For those who could, we were able to test out their solution and functionalities, and have included our reviews for them in the RedThread Assessment section of the tool.

A total of 45 vendors completed our survey.

- One of them offers 3 people analytics solutions, while the rest offer 1 solution each.
- Readers will notice that 5 vendors, with workforce planning capabilities, are listed twice in the tool. While none of the listed vendors offer workforce planning as a separate licensed solution



and have these capabilities integrated as a part of their multi-source analysis solutions, we mention them twice because we believe workforce planning as a type analysis is distinct enough to be treated as a different category.

- Three vendors, which had participated in our study the previous year but were unable to do so this year, have also been included this year along with their 2019 information.
- Finally, 3 vendors (LinkedIn Talent Insights, SAP SuccessFactors, and TalentNeuron) that didn't participate in our study have also been included as we are familiar with those solutions.

Hence, while we had 45 unique vendors which completed the participation process, there are a total of 58 solutions in the tool.

On the practitioner side, we launched a short People Analytics Technology Customer Poll in June 2020. Customers were asked to share the challenges they're using the solution to solve for, give feedback on the vendor's strengths and areas of improvement, as well as provide a Net Promoter Score and any other feedback. Each vendor was required to receive a minimum of 5 customer reviews to be included in our tool. There was no limit on how many reviews they could receive. We received 5 or more customer reviews for 24 vendors as of end of October 2020.

2x2 matrix tool

Once our qualitative and quantitative data collection and analysis were complete, we went back to the 2x2 matrix that we developed and introduced in our 2019 report, which you can access [here](#). Our matrix compares two aspects of vendors' capabilities: usage frequency and data sources. This approach allows us to identify some points of differentiation and categorize vendors in different, meaningful segments.

Understanding the X-axis

Starting with the X-axis, (see Figure 1), we range from solutions that users tend to use / access on a frequent basis (e.g., quarterly, monthly, or



bimonthly) on the left side of the matrix to solutions that are used on a continuous / always-on basis (e.g., weekly, biweekly, or daily) on the right. Please note: We are specifically thinking about how frequently users tend to use the solution, not the frequency with which it's updated or can give insights. We focused on user frequency because it allows us to understand, from a practitioner's perspective, *how frequently* a solution tends to be used – which can help us understand *how and by whom* it's used.

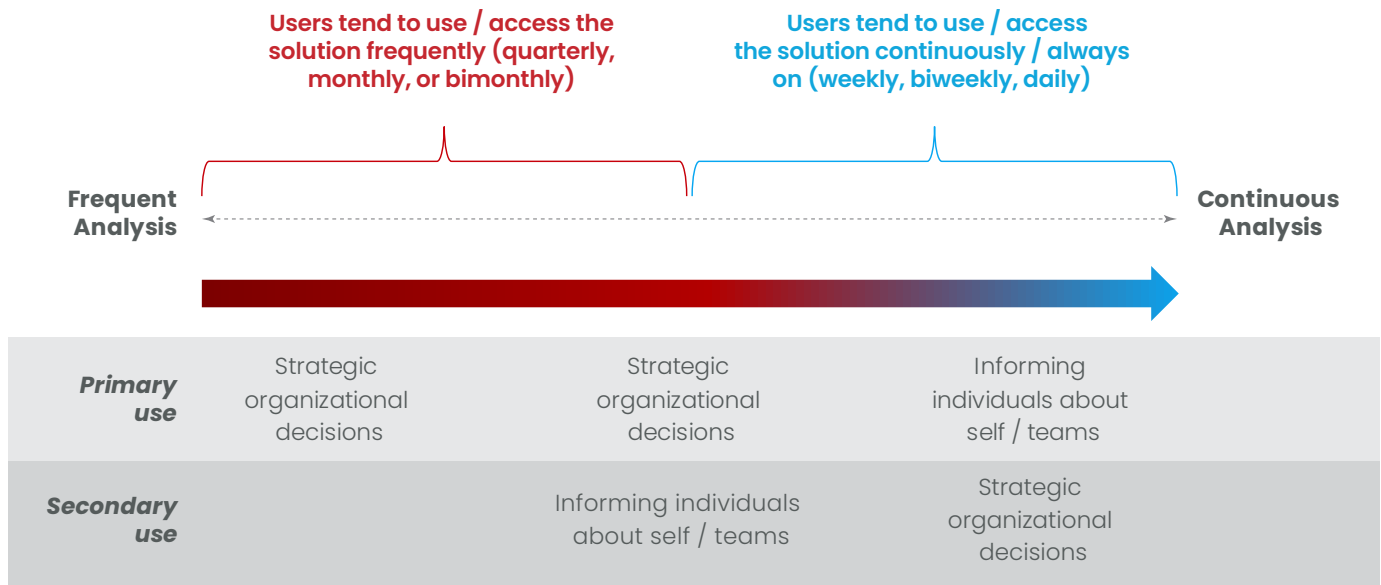
For example, the solutions on the left side of the model tend to be used to consistently check-in on specific areas of interest. These are leveraged by HR, people analytics, and other business leaders looking to make strategic talent decisions.

As we move to the right, we see solutions that are trying to both provide analysis for strategic, organizational decision-making, and inform users about themselves or their team. Many of these solutions' typical primary users are people analytics or HR, but the vendors have expanded or are in the process of expanding their users to senior leaders, managers, and employees.

On the far-right side of the graphic are solutions that tend to be used more continuously, which lend themselves to more operational (nonstrategic) adjustments, and that alert individuals about their own or their team's behavior. Obviously, when this type of data is pulled together and analyzed longitudinally, it could also inform strategic decision-making, too. These vendors tend to focus more on providing greater accessibility to data, and sharing insights directly with employees in the form of nudges, individual reports and dashboards, and notifications.



Figure 1: Details of X Axis – People Analytics Technology Market Solution Matrix



Source: RedThread Research, 2020.

Understanding the Y-axis

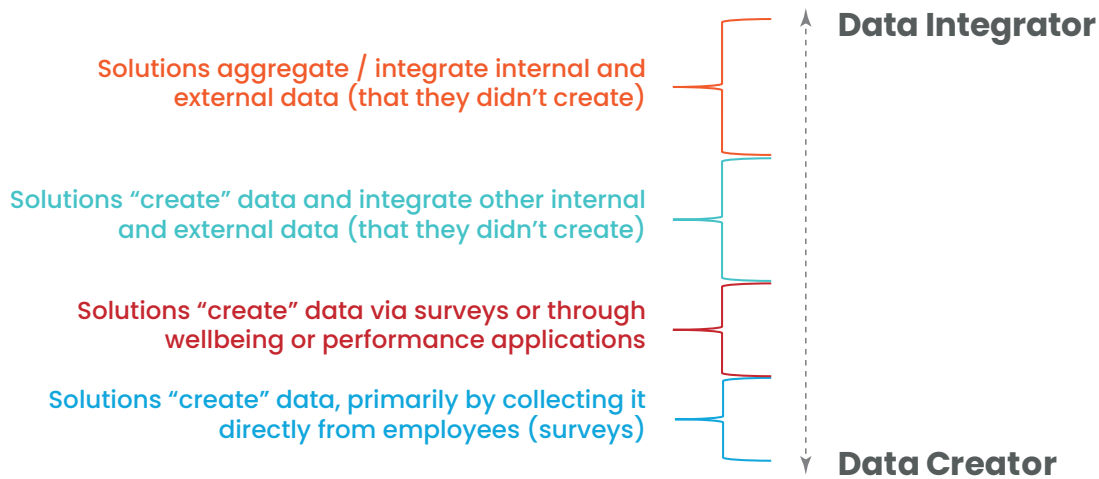
On the Y-axis, we classify solutions as follows – from whether vendors collect (via any method) and “create” the data themselves, as shown at the bottom of the graphic, to whether they integrate the data from other sources (e.g., government data, other third-party solutions, or other internal technologies), shown at the top of the graphic. An important point: Almost every vendor in our study pulls data from the HR information system (HRIS) for basic demographics, hierarchy, location, and other facts, so we don’t “count” integration with HRIS as one of the integrations on this axis.

In Figure 2, we explain how the scale changes. At the bottom of the model, we have solutions that “create” data primarily by collecting it directly from employees (i.e., engagement, onboarding, or exit surveys, etc.). Moving up the axis, we add in solutions that collect data as well as integrate other data they capture on employees, such as wellbeing or performance management data, via their own tools. Moving up further (closer to the

X-axis), we have solutions that still capture data but also integrate a wide range of data sources (e.g., 360-feedback data, financial / business outcome data, work productivity data – email, Slack / Microsoft teams, etc. – customer experience data, etc.).

Finally, toward the top third of the Y-axis, we have solutions that primarily integrate data from others. Unlike those on the bottom, the majority of these solutions don't offer capabilities to collect data. A number of them work in tandem with those lower down on the matrix as part of the bigger people analytics technology ecosystem.

Figure 2: Details of Y Axis – People Analytics Technology Market Solution Matrix



Source: RedThread Research, 2020.

When we put all of this together, we end up with 4 different quadrants with distinct characteristics.

- **Accumulated Analytics:** Vendors in this quadrant rank high in their ability to provide users with a longitudinal view of data, with insights that enable strategic talent decisions. Data tends to be aggregated and integrated from several sources including external data. The insights from these vendors can be used by teams on a frequent basis to track specific areas of interest.

- **Snapshot Analytics:** Vendors in this quadrant are data collectors and provide insights that are reviewed for strategic talent decisions on an event-driven basis. These vendors are primarily focused on active data collection, though they may also have some newly introduced data integration capabilities.
- **Targeted Analytics:** This quadrant includes vendors that are focused on a specific talent area (e.g., engagement / experience, performance management, wellness). They collect data directly from employees, which can both allow for quicker deployment and adoption, and have their insights and analysis accessed by multiple teams on a very frequent or continuous basis. Several of them push insights directly to employees for faster action-taking.
- **Guiding Analytics:** This quadrant includes vendors that integrate data from several different sources and are used very frequently to continuously. The combination of these elements means that users can frequently access deep and broad information which can guide strategic organizational decisions, operational decisions, and individuals' decisions about themselves or their team. Our mental model for solutions in this section is like a guided missile – they can give insights that can change the trajectory quickly.

It's important to note that none of these quadrants is superior to the others. In fact, there's likely a place for all of them in an organization's people analytics technology ecosystem. However, by putting technologies into these boxes, we can start to think about what that ecosystem might look like and how organizations might begin to build them.

