Workforce Analytics: Unlock the People Equation

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Session Overview

1. What types of problems are organisations attempting to solve with workforce analytics?

2. How do organisations approach these problems, and what analytics techniques are they using?

3. What capabilities do organisations need to be effective with workforce analytics?

4. What obstacles are organisations encountering, and how can they be avoided?
The Future of Workforce Analytics
A vision for Workforce Analytics

Enabling the workforce to drive performance

Driving efficiency and effectiveness of HR support operations

Measure, understand, control, improve
Workforce Analytics Implementation challenges in HR

- Lack of understanding of how to use analytics
- Lack of management bandwidth due to competing priorities
- Lack of skills in line of business
- Ability to get the data
- Culture does not encourage information sharing
- Ownership issues or unclear governance
- Lack of executive sponsorship
- Concerns with data
- Perceived costs outweigh perceived benefits
- No case for change

Note: Respondents were asked “What are the primary obstacles to widespread adoption and use of information and analytics in your organization? Please select up to three. Source: Analytics: The New Path to Value, a joint MIT Sloan Management Review and IBM Institute for Business Value study. Copyright © Massachusetts Institute of Technology 2010.
Big data & Analytics: Steps to success

Step 1: Identify high-value opportunities

Step 2: Establish the right architecture and funding model

Step 3: Prove value to business leaders through pilot programs

Step 4: Scale by expanding to additional use cases

Step 5: Transform to a data-driven culture
What types of problems are organisations attempting to solve with workforce analytics?
Six Potential Starting Points

**BUSINESS INSIGHTS**

1. Resource Needs (Current & Forecasted)
2. Workforce Related Actions/Programs

1. Effectiveness of Recruiting Efforts
2. Workforce Migration

1. Focused Use of Top Performers
2. Impact to Retention
3. Effective Management Structure

1. Effectiveness of Inclusion Programs
2. Early Identification of Gaps in Diversity

1. Effectiveness of Development Programs
2. Alignment of Progression to Development

1. Turnover Issues
2. Loss of Development Investments

**RESULTS**

Avoid workforce shortfalls

Reduce cost and improve quality

Increased productivity

Improved culture and talent management

A truly competitive workforce

Reduce “talent churn”
How do organisations approach these problems, and what analytics techniques are they using?
The levels of analytics

- Descriptive: “What happened?”
- Integrated: Why did it happen?
- Predictive: What will happen?
- Prescriptive: What should we do?
Example – Descriptive Analysis

Are there differences in scores across the selection methods based on gender?

No gender bias in the selection process. Males & females have an equal chance of being offered a position.
Are Post Graduate applicants performing better in the selection process?

Assessment Centre Scores

Post graduates scored significantly lower in the AC role play & presentation

Competency Scores

- **People Agility**: 12.5 (No), 11.1 (Yes)
- **Strategic Agility**: 6.0 (No), 5.4 (Yes)
- **Leadership Agility**: 11.9 (No), 10.5 (Yes)
- **Drive**: 9.7 (No), 9.2 (Yes)
- **Execution Agility**: 9.3 (No), 8.5 (Yes)
- **Learning Agility**: 6.1 (No), 6.2 (Yes)
The levels of analytics

- Descriptive
- Integrated
- Predictive
- Prescriptive

"Why did it happen?"
Talent Optimisation: Reshaping and Reorganising a Global Sales Force

1. Develop Role Capability Profiles
2. Assess Global Sales Force Capability
3. Reorganise & Provide Targeted Individual Development
Using data to inform sales strengths and development areas

Different reporting options allowed us to explore sales performance & potential at an individual, group or regional level.
Example Reporting

Group reporting: showing link between sales performance and sales assessment scores

![Graph showing comparison of sales selector scores by sales achievement](image)
## Example – Integrated Analysis

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The levels of analytics

- Descriptive
- Predictive
- Integrated
- Prescriptive

“What will happen?”

Commonly sited example of predictive analytics: Credit scoring
Mission-critical roles drive more than popcorn sales
(AMC theatre company)

**Solutions:** BrassRing, Predictive Hiring, Employee Survey
The levels of analytics

Descriptive

Integrated

Predictive

Prescriptive

“What should we do?”
Example – Prescriptive Analytics

The decision tree shows how Churn is significantly influenced by Contract and 12 other inputs.

- The mode within each node is the predicted target category.
How are organisations using Analytics today?

What capabilities do organisations need to be effective with workforce analytics?
Building Workforce Analytics Capability

- Data & Technology
- Analytics roles & Capabilities
- Data security & privacy
- Culture
What obstacles are organisations encountering, and how can they be avoided?
Increasing the odds of success

For early adopters, avoid:

- Being too ‘HR-centric’ – solve business problems
- Seeking ‘data nirvana’ before starting workforce analytics
- Positioning workforce analytics as a substitute for human judgment

For those with more experienced in workforce analytics:

- Link workforce analytics to the overall business strategy
- Take action based on discovered workforce insights
- Demonstrate workforce analytics ROI
- Build the workforce analytics capacity to scale