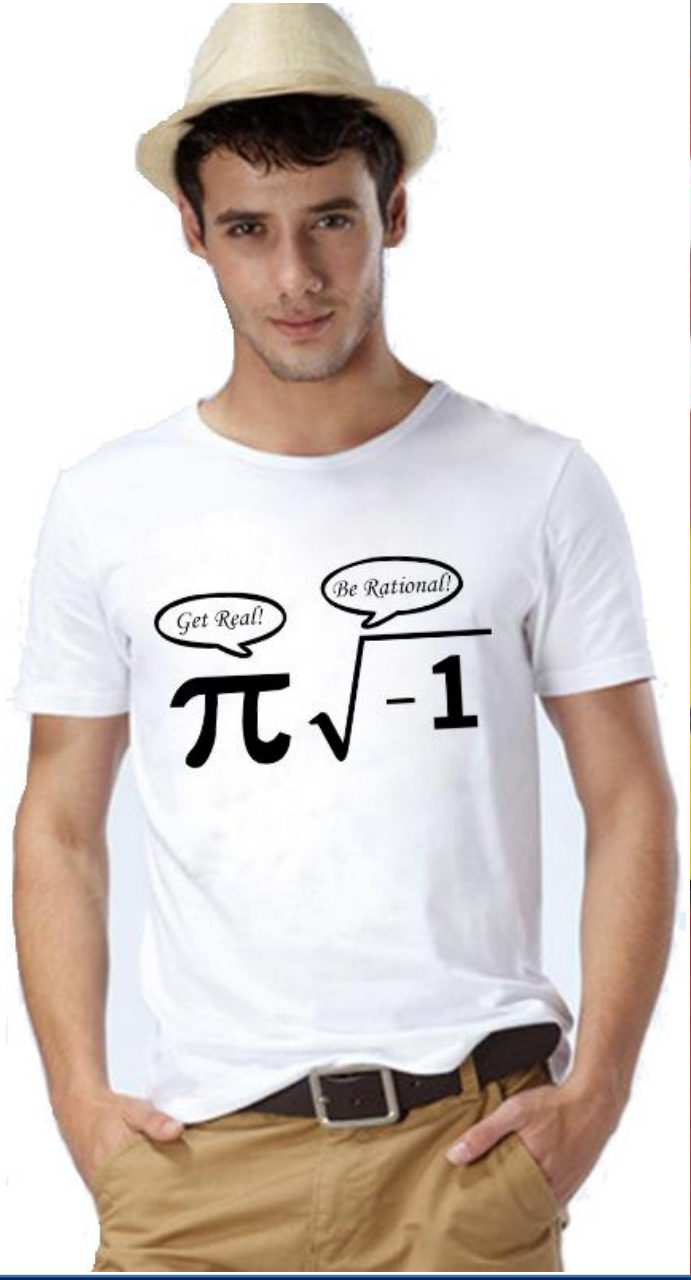


HR Big Data : How Datafication of HR is changing the way we work!





You can find me here…Occassionally at SMR Offices!!

The Borderless Workplace



United Breaks Guitars ….leading to Mass Resignations

Analytics is Definitely Coming to HR

The Evolution of Business Analytics in other Functions

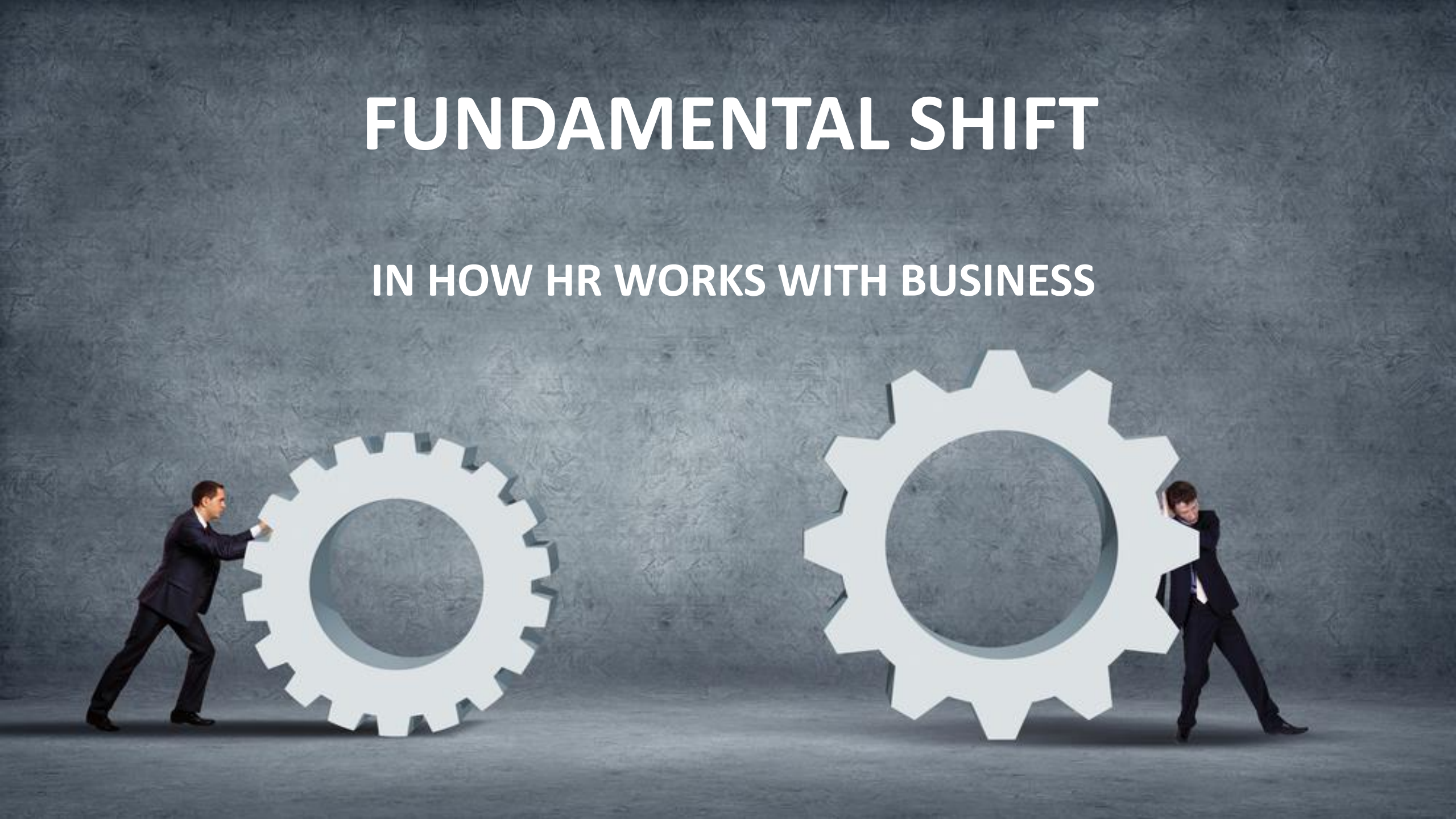
*The **Waves** of Business Analytics*



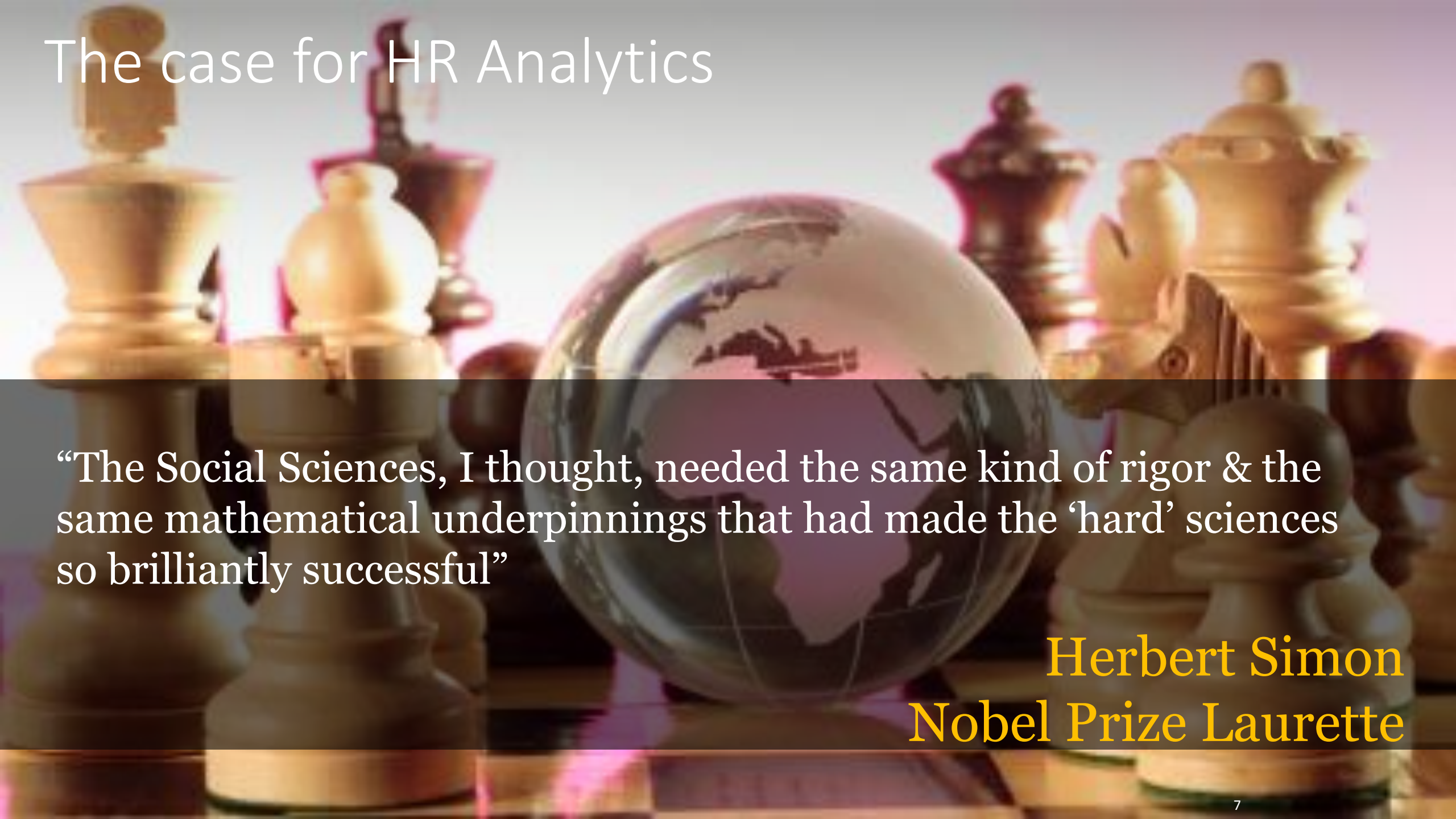
The Industrial Economy	The Financial Economy	The Customer Economy and Web	The Talent Economy
Steel, Oil, Railroads	Conglomerates Financial Engineering	Customer Segmentation Personalized Products	Globalization, Demographics Skills and Leadership Shortages
Early 1900s	1950s-60s	1970s-80s	Today

FUNDAMENTAL SHIFT

IN HOW HR WORKS WITH BUSINESS



The case for HR Analytics



"The Social Sciences, I thought, needed the same kind of rigor & the same mathematical underpinnings that had made the 'hard' sciences so brilliantly successful"

Herbert Simon
Nobel Prize Laurette

There is a real need for running HR like a business



The average company loses

20-30% of its employee base yearly[1]



Employee engagement

is at a worldwide low of **13%**[2]



65% of top leaders think they have **insufficient talent** on their teams[3]

1 Declining Employee Loyalty: a casualty of the workplace, 2012, Forbes Knowledge @ Wharton
2 Randall Beck, Jim Harter, Ph.D., "Companies Are Missing Opportunities for Growth and Revenue," Gallup, April 28, 2015
3 McKinsey Human Capital analysis, 2014

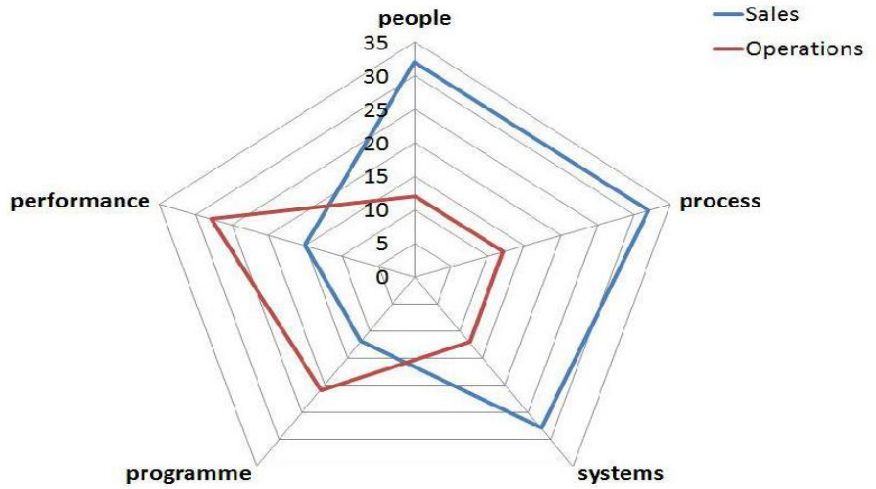
HR Big Data: Metrics vs Analytics

- A system or standard of measurement



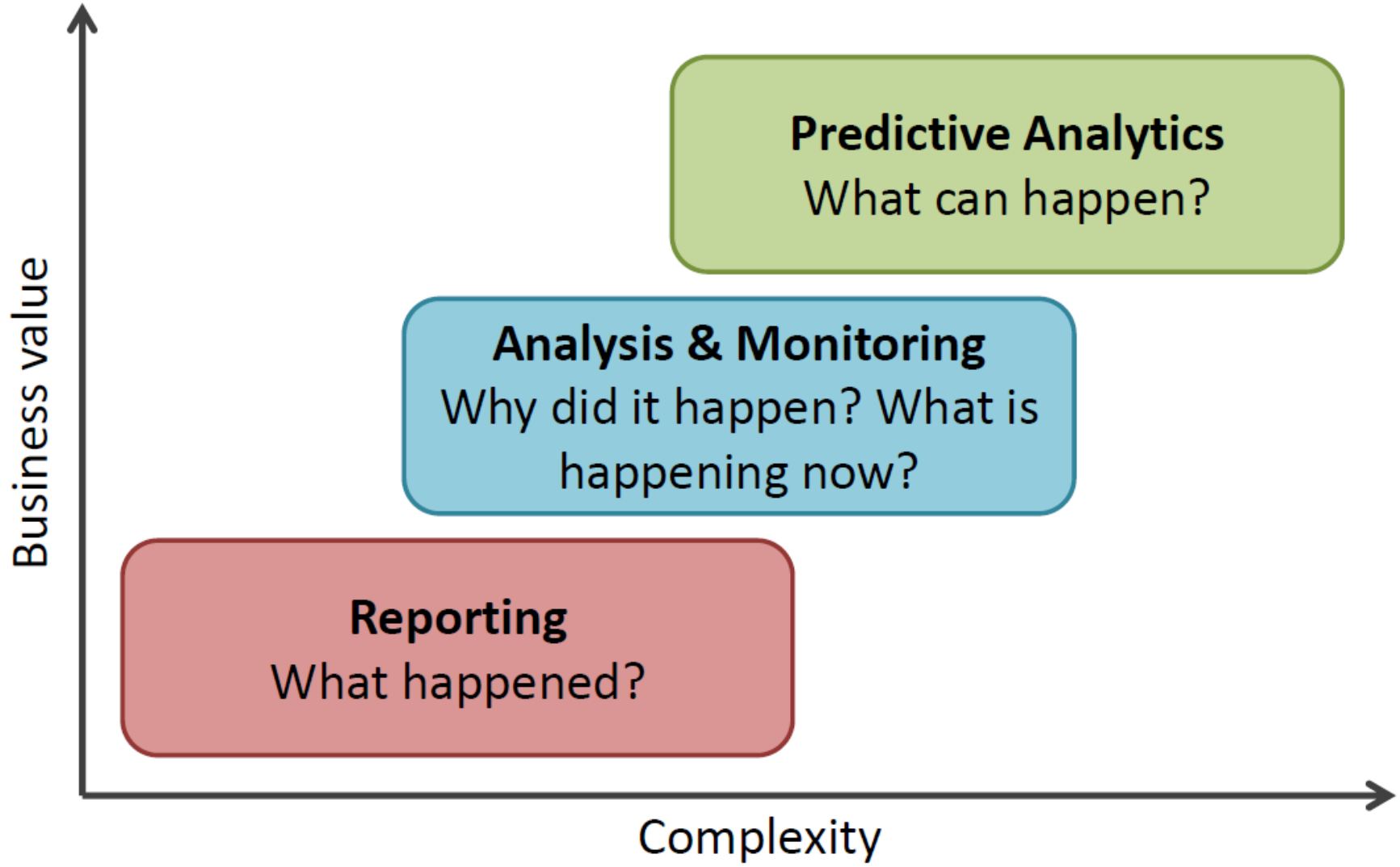
Metrics

- The systematic computational analysis of data or statistics



Analytics

Graduating from Metrics to Analytics



Bersin by Deloitte's Maturity Model



Source: Bersin by Deloitte, 2014

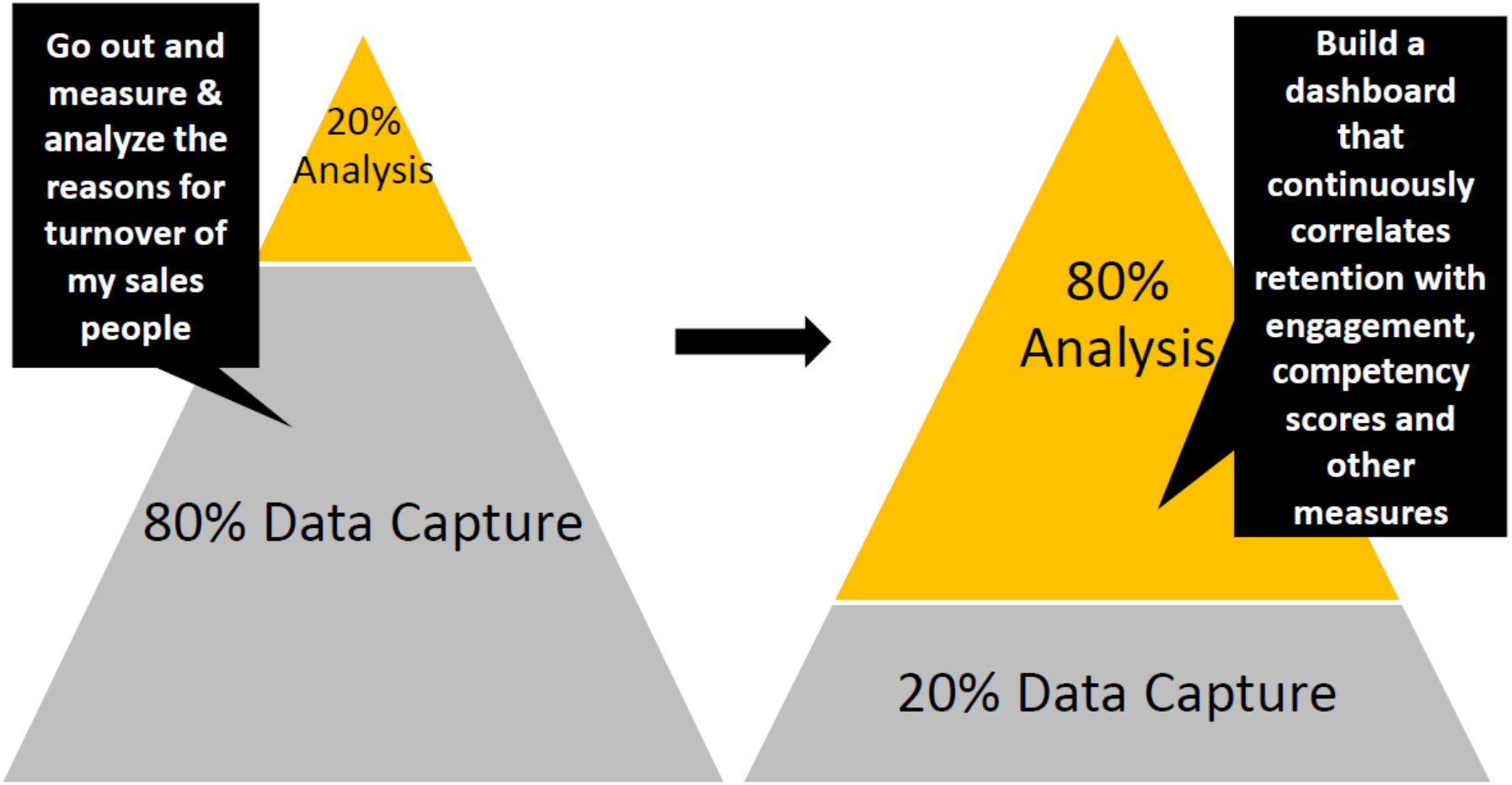
HR Dashboards help but not enough



What do we measure?

Supply, Demand Recruiting Onboarding	Talent Demand Plan	Workforce Plan Scenarios	Open Positions	Internal Mobility
	Employer Brand, Alumni	Time and Cost To Hire	Onboarding Effectiveness	Turnover
Performance Succession	Ratings Rankings	Managerial Grievances	Development Plans	9-box Grids
Readiness	Skills Certifications	Succession Depth	Promotional Readiness	Seniority Skills Depth
Leadership	Succession Depth	360 and Other Assessments	Successor Readiness	Proficiency vs. Leadership Comp.
Compensation	Budget by Group	Comp by level/perf	Perf-Pay differentials	Compa Ratios
Engagement	Employee Opinion	Employee Engagement	Innovation Programs	Employee Value Prop
Demographics	Retirement Projections	Tenure Education, etc.	Age, geography, Skill level	Span of control
Spending	HR/L&D Spending	HR/L&D Staff Allocation	Systems Usage/$	Satisfaction With HR svc.

How do we measure?



Measurement as a *Project*

Measurement as a *Process*

What is Predictive Analytics?

How Target Figured Out A Teen Girl Was Pregnant Before Her Father Did

Every time you go shopping, you share intimate details about your consumption patterns with retailers. And many of those retailers are studying those details to figure out what you like, what you need, and which coupons are most likely to make you happy. Target, for example, has figured out how to data-mine its way into your womb, to figure out whether you have a baby on the way long before you need to start buying diapers.

Charles Duhigg outlines in the New York Times how Target tries to hook parents-to-be at that crucial moment before they turn into



Target has got you in its aim



A NEW WAY OF LOOKING AT THE SAME PROBLEMS

Flickr CC wvs

HOW Can I Start employing Predictive Analytics!

Answer just three questions

WHAT?	SO WHAT?	NOW WHAT?
Analyze the situation to understand what has happened?	How does this impact our business? Does it matter?	What do we do, and how do we know we are being successful?



Retention

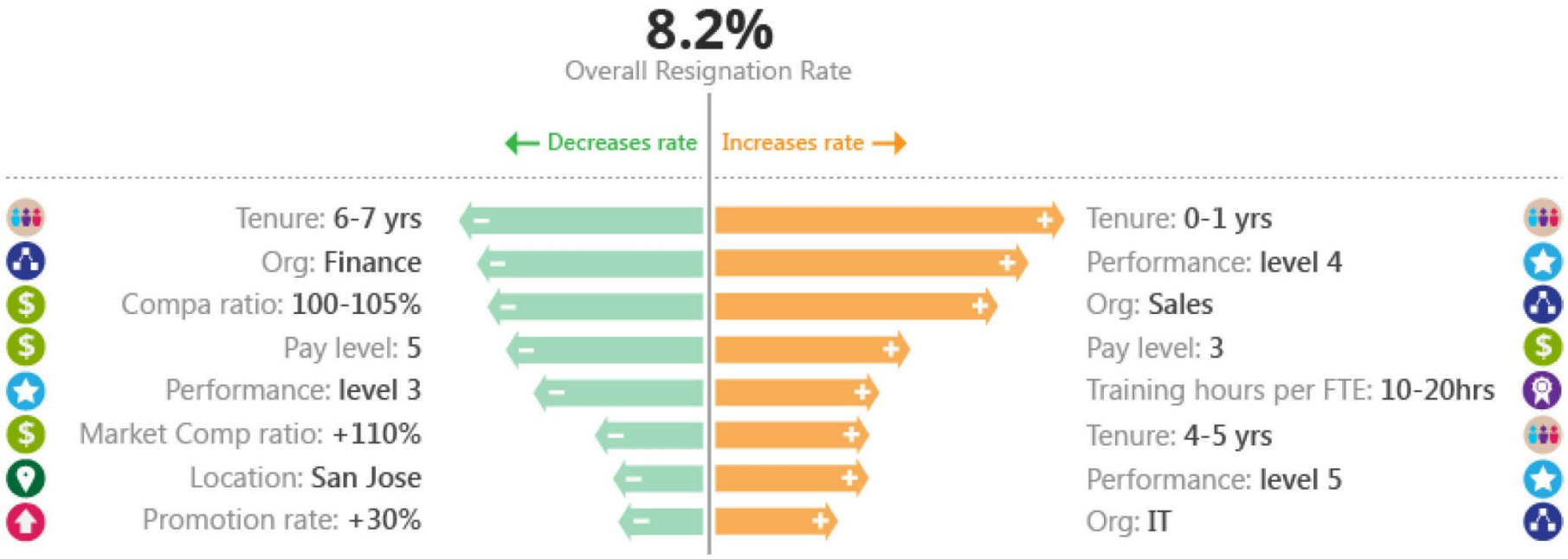
WHAT?	SO WHAT?	NOW WHAT?
What is our retention rate for top performers?	How does it impact customer satisfaction?	How can we improve retention of top performers?



Example 1: Retention ≠ Turnover

Turnover is not sufficient because….

- Lots of people leave organisations for various reasons some good / some bad
- One number tell you nothing about how to change the business outcome



Modern algorithms deliver a far more sophisticated analysis of exits and provide insight into how to reduce them.

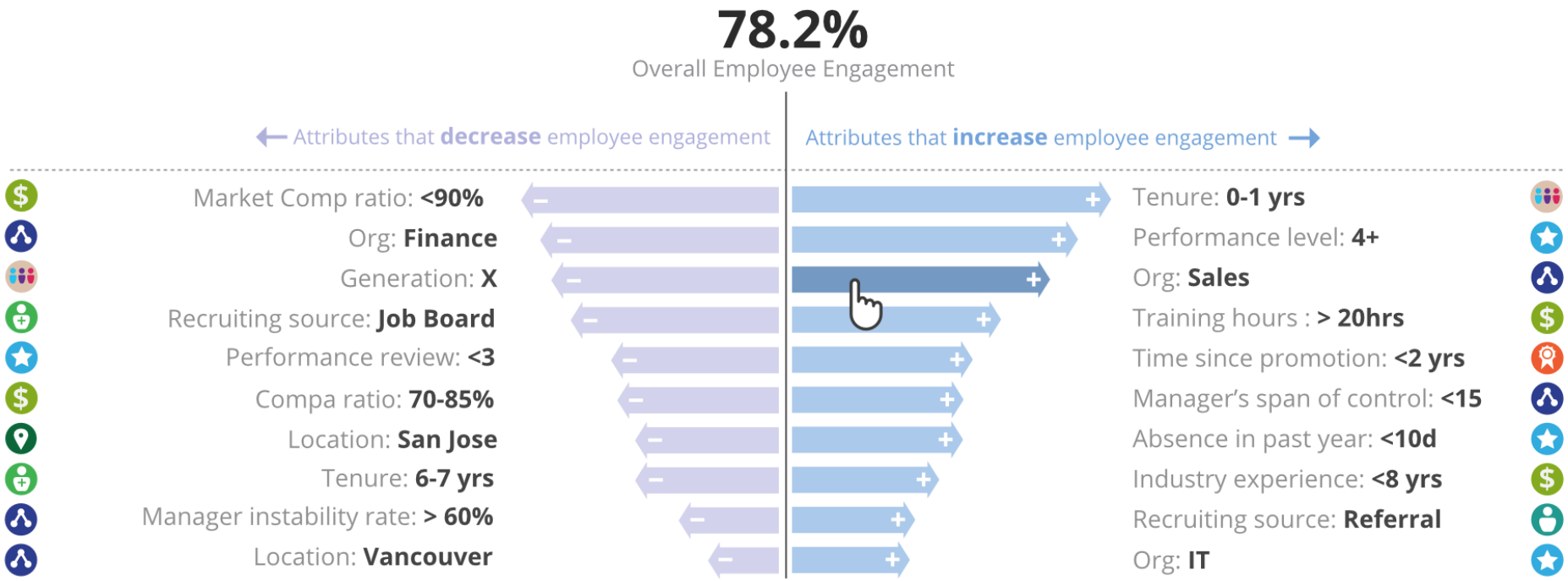
Engagement

WHAT?	SO WHAT?	NOW WHAT?
What is our employee engagement score by business unit?	How does engagement correlate with profitability for those business units?	How can we improve engagement in underperforming business units to increase profitability?



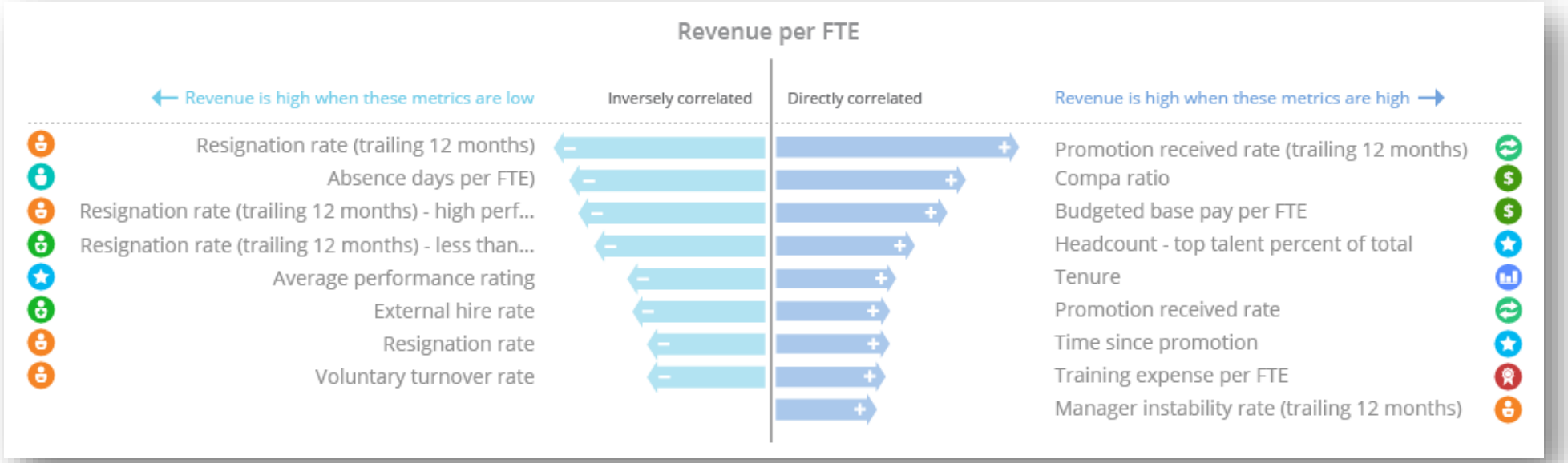
Example 2: Higher Salary ≠ High Engagement

- Discover what drives employee engagement to create programs to increase engagement



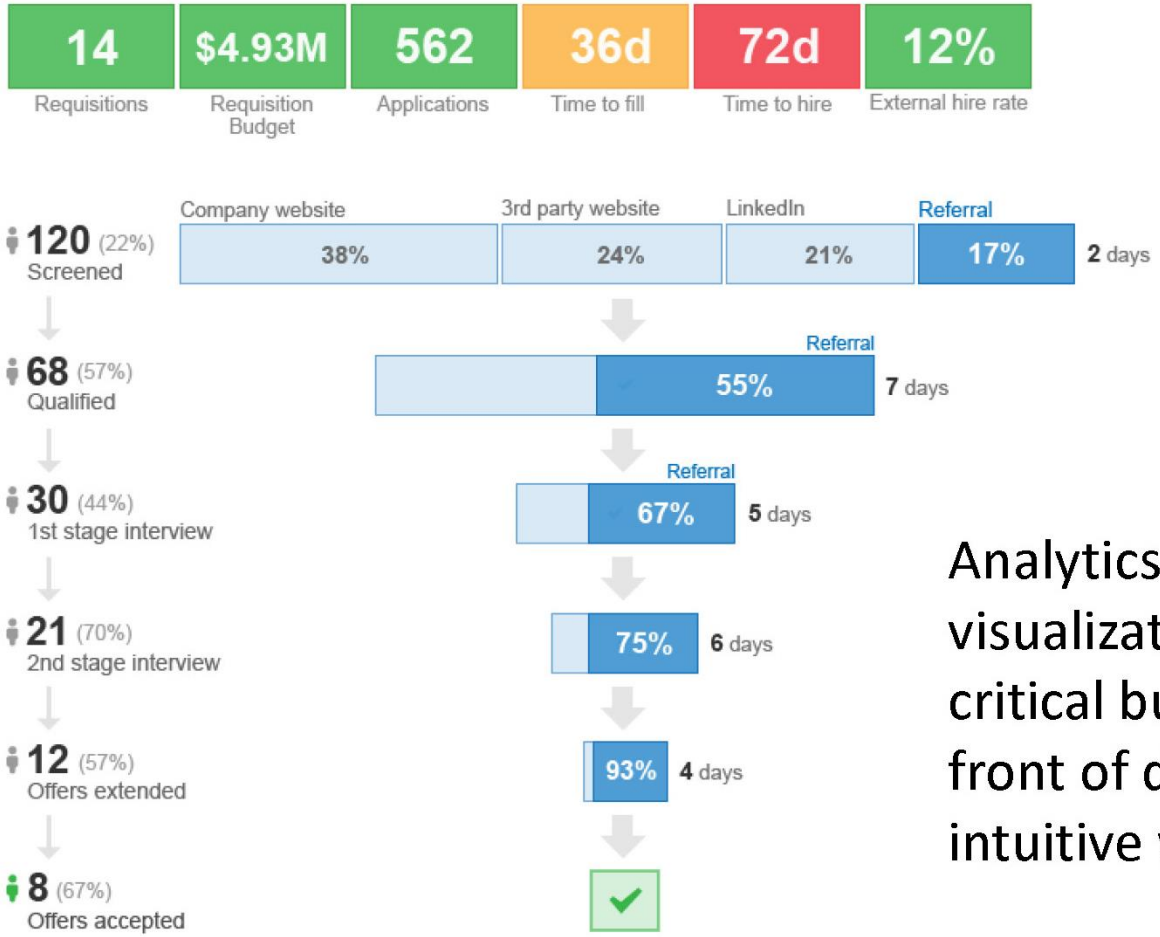
Relate workforce insights to business results

- What **workforce metrics** (such as pay per FTE, resignation rates, performance ratings, etc.) are most correlated with an increase in **revenue** (or customer satisfaction, patient readmission, sales achievement,…) per full-time employee?



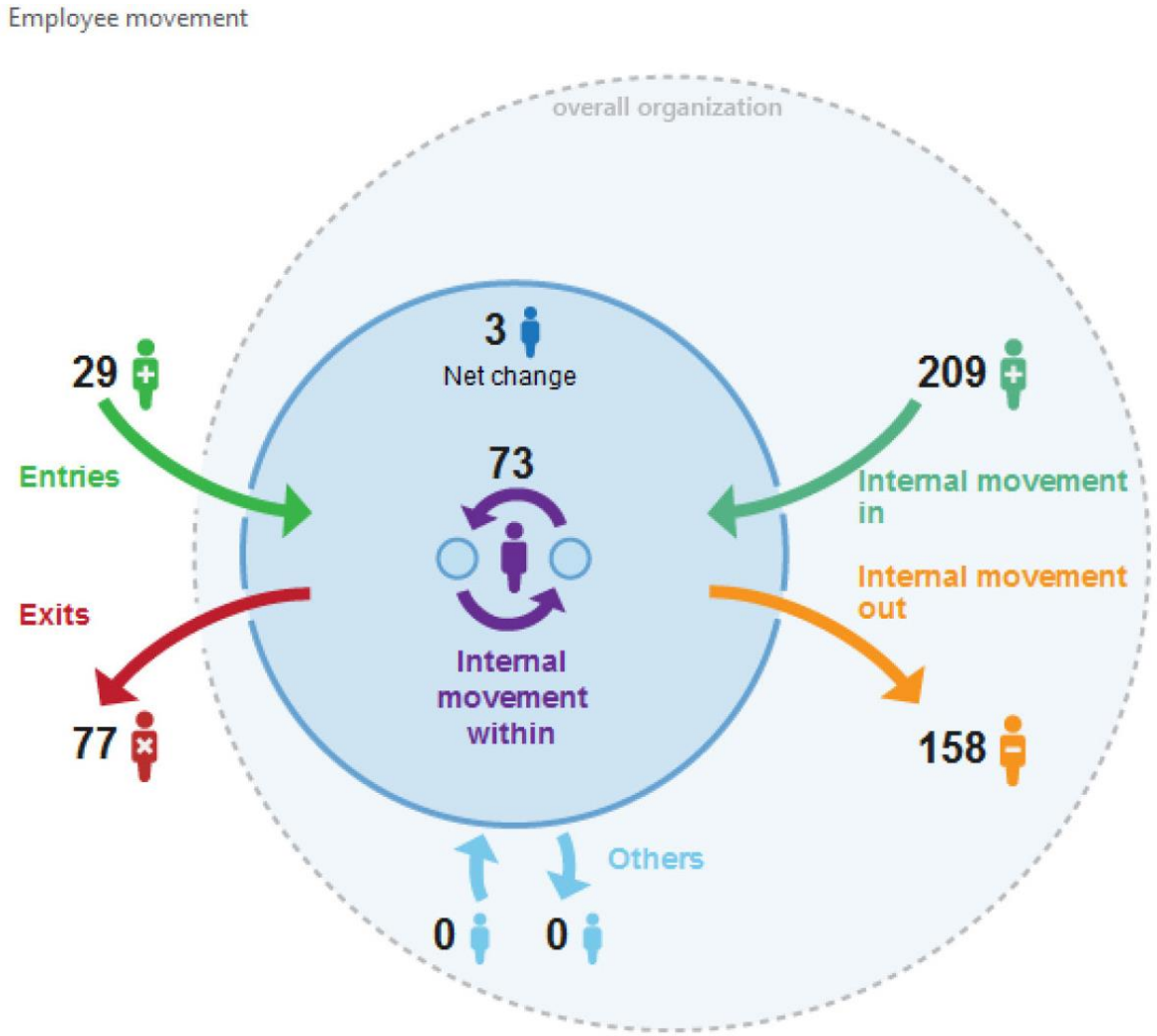
Example 3: Effective Hiring ≠ Time to Hire

- Speed is highly dependent on market conditions and level of hire required
- Focusing speed over quality can have negative business results



Analytics applies powerful visualization techniques to put critical business answers in front of decision makers – in an intuitive way.

Example 4: Analysing Headcount



Analytics shows you the whole story related to the change in headcount.

There are a total of 546 moves that make up a net change of 3.

Summary:

= Sales & Mkt | US

Jan 1, 2014	Mar 31, 2014	Change
1,544 →	1,547	+3 ▲ (0.19%)

Relate Workforce Insights into Business results

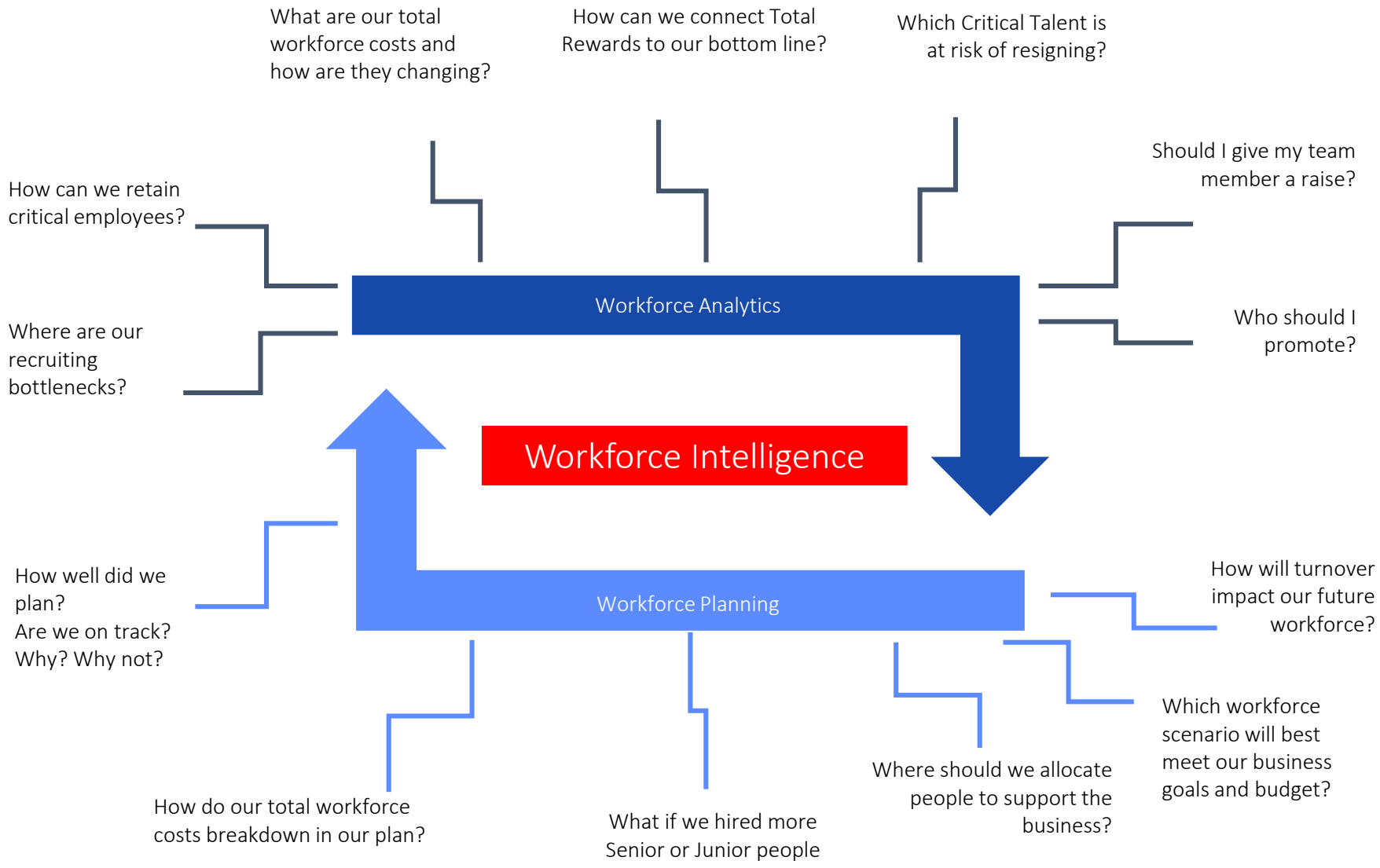
- How does **turnover** compare to **sales** across locations over last 12 months?
- How do **tenure** and **performance** relate to the **profit** of business units?
- How do **headcount**, **turnover rate**, and **total cost of workforce** compare to **revenue** by location?
- What **employee attributes** most contribute to a high **customer satisfaction** score?
- Does employee **engagement** impact **profitability**?
- Does increasing the **compa-ratio** for top performers in critical roles increase **revenue growth**?



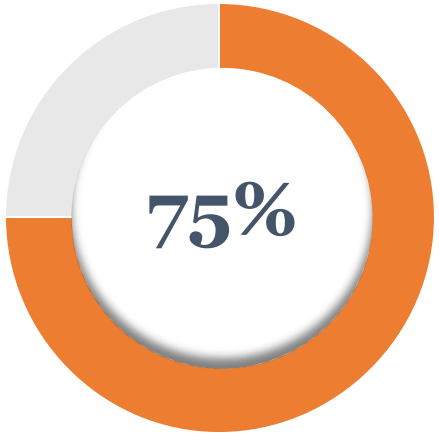


FINDING PATTERNS

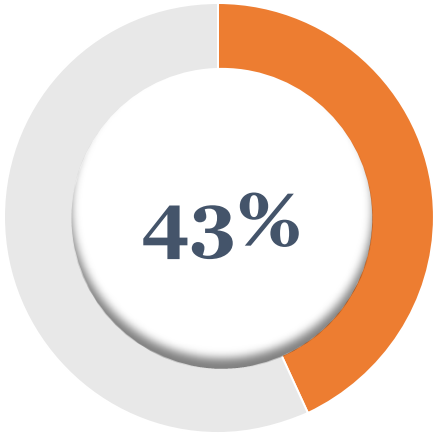
HR Analytics: Making both HR *and* the business better



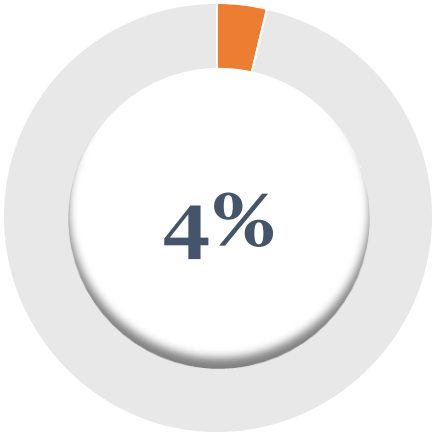
Many CHROS recognise the value of HR analytics, but few unlock it



of surveyed global HR teams rate people analytics on **top of their agendas**[1]



of **Fortune 1000 companies** have people analytics function[1]



of companies have the capacity to perform **predictive analytics**[1]

Those that tie decision making to data enjoy:

+30% higher returns over the national market avg[2]

4x more respect from business counterparts[3]

1 Declining Employee Loyalty: a casualty of the workplace, 2012, Forbes Knowledge @ Wharton
2 Brandon Rigoni and Bailey Nelson: Hiring Decisions: Big Data Isn't Enough, Gallup, Feb. 2016
3 Deloitte, Bersin, 2013

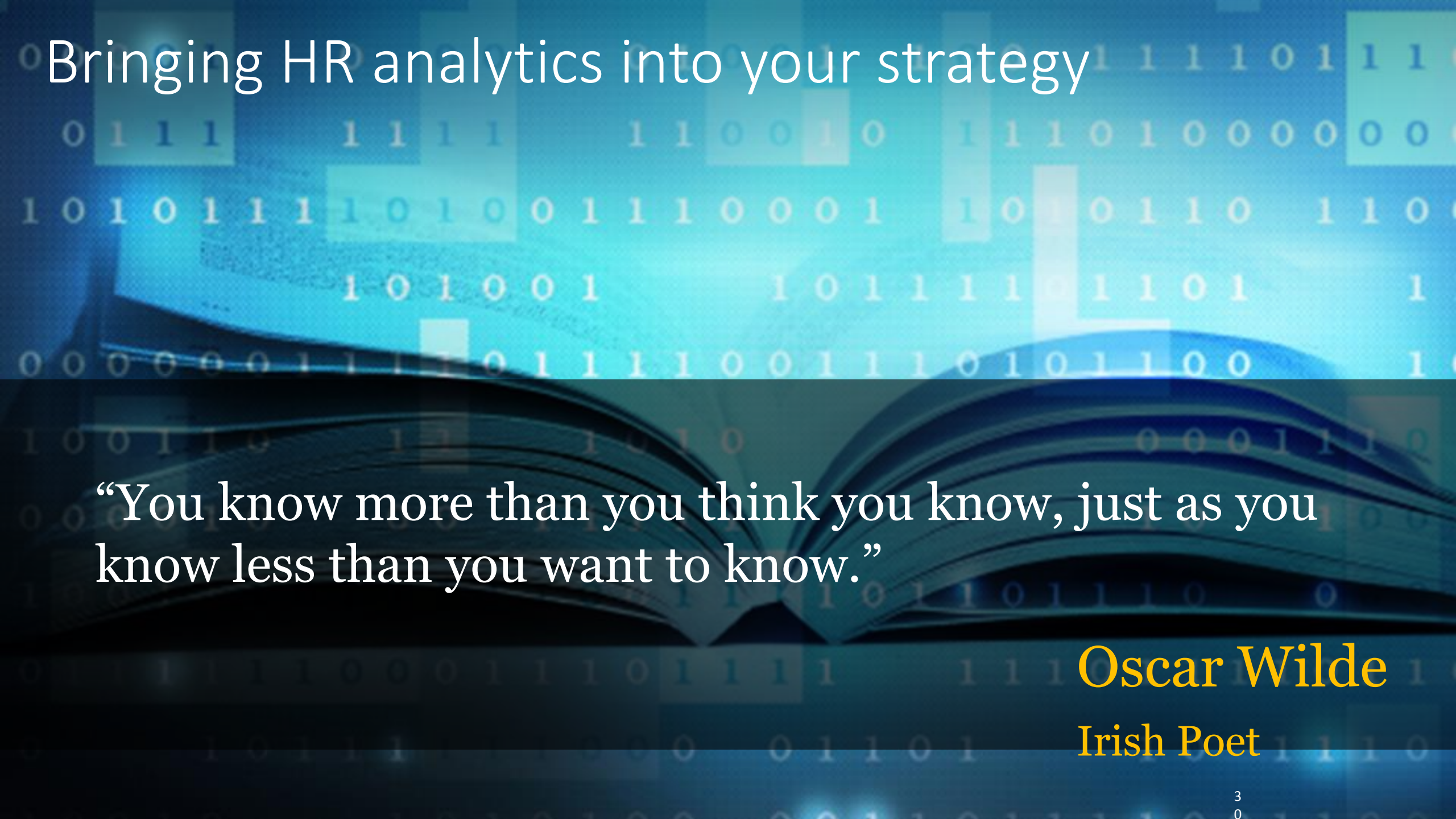
The Lowest Rated HR Skill

Relative Strengths of HR Skills and Capabilities



Bersin & Associates
High-Impact HR Organization® 2011
and 2010, n=741 organizations

Bringing HR analytics into your strategy

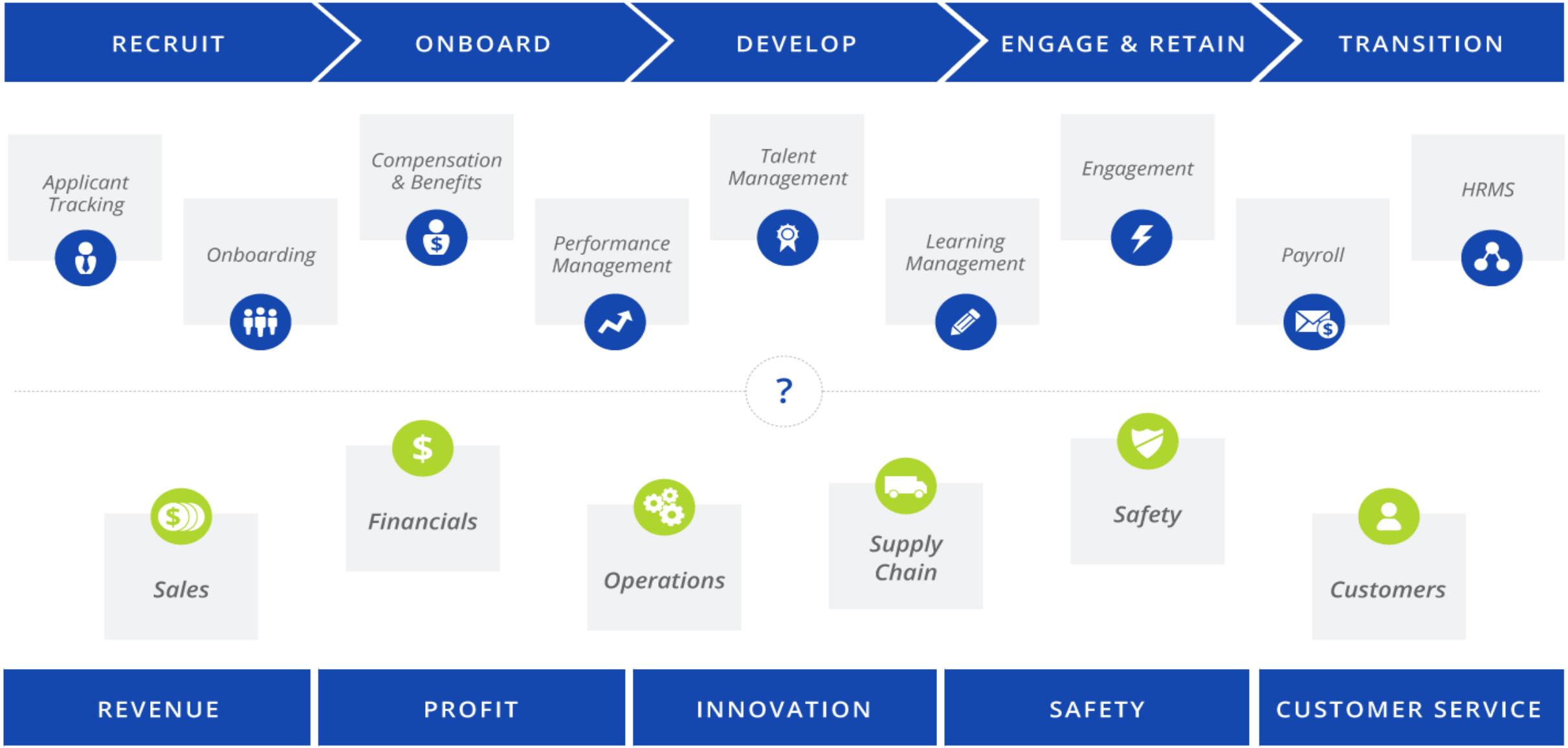


"You know more than you think you know, just as you know less than you want to know."

Oscar Wilde

Irish Poet

So much data, so little insight !!!



HR analytics can and must be embedded into the entire talent management process



Talent Strategy Predicting future resource planning

Recruiting Predicting who will succeed, improve selection

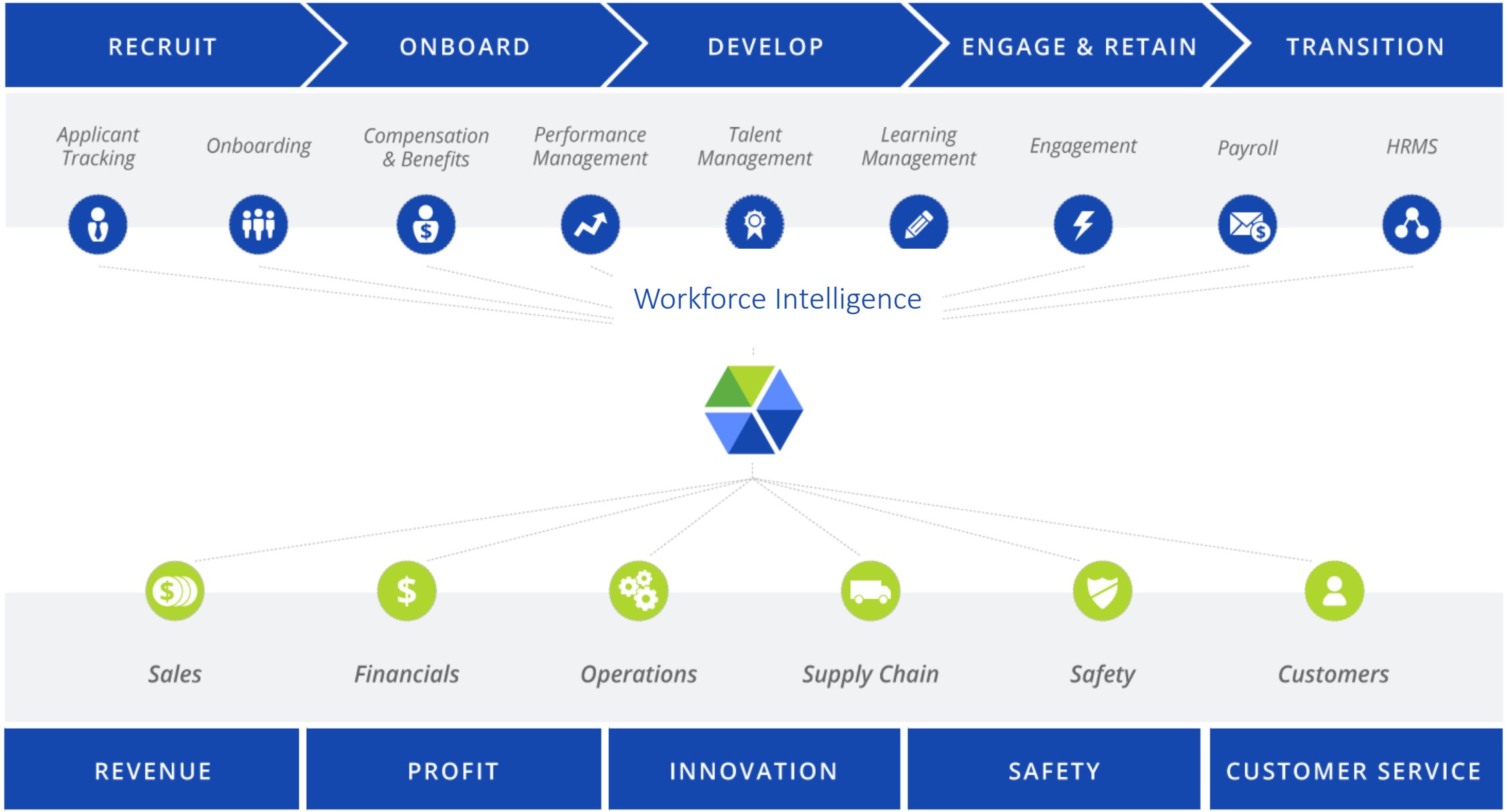
Leadership Development Predicting future high performers

Performance Identifying the right mix of incentives (comp. & benefits)

L&D Matching people to learning requirements

Retention Identifying drivers of attrition and predicting likelihood of leaving

Connect workforce insights to business results



Using HR Analytics to drive business results

	From intuition …	…to insights …	… to impact
1 **Retention** 	↑ bonuses	People care more about training and their manager	30% **attrition rate fell to 15%** and **20M** of savings
2 **Absenteeism** 	Long absences disrupt organisation	Identify the at-risk to better address their needs	**15-20M** saved in **avoiding absenteeism**
3 **Recruiting** 	Best results from unbiased recruiting methods	Accuracy is improved through machine learning	**More diverse,** merit-based **workforce** and **400-500% ROI**

Real World Case Studies

Starbucks, Limited Brands, and Best Buy—can precisely identify the value of a 0.1% increase in employee engagement among employees at a particular store. At **Best Buy,** for example, that value is more than $100,000 in the store's annual operating income.

Many companies favor job candidates with stellar academic records from prestigious schools—but **AT&T and Google** have established through quantitative analysis that a demonstrated ability to take initiative is a far better predictor of high performance on the job.

Employee attrition can be less of a problem when managers see it coming. **GE** has identified the factors that best foretell which employees will leave after a relatively short time.

In 3 weeks **Oracle** was able to predict which top performers were predicted to leave the organization and why - this information is now driving global policy changes in retaining key performers and has provided the approved business case to expand the scope to predicting high performer flight .

HR System Roadblocks

- Transactional HR systems (e.g. your core HRMS) are not designed for analytics
  - Siloed data & costly / complex data integration
  - Reporting engine, not analytics engine
  - Inability to perform multi-dimensional analysis
  - Incomplete view of workforce costs
  - Limited workforce planning



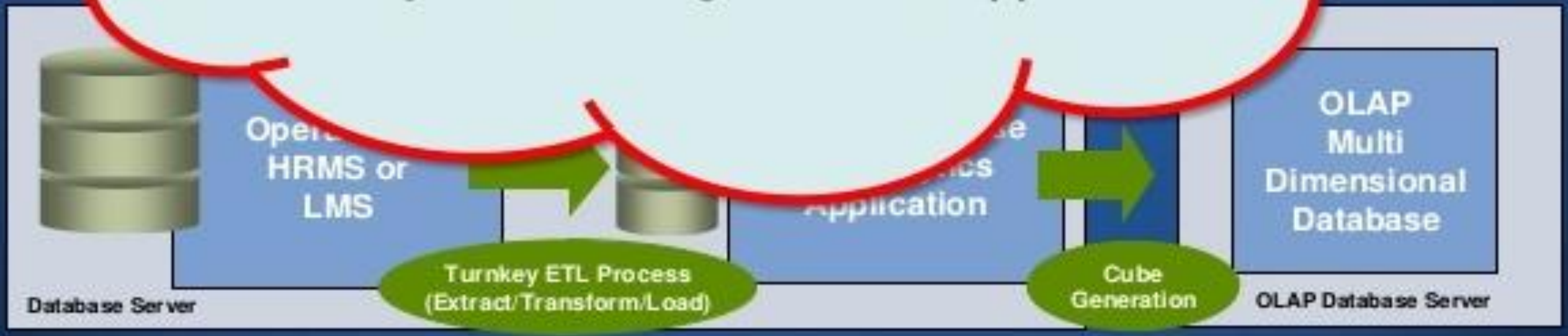
Data warehouse or business intelligence roadblocks

- More than 50% of data warehouse projects have failed (Gartner)
- Between 70-80% of corporate business intelligence projects fail (Gartner)
- The average price for a data warehouse is $2.3M (IDC)
- The time to implement a data warehouse ranges from 12-36 months

Modern workforce intelligence solutions will not require you to build or manage a data warehouse, buy expensive IT equipment or burden your overloaded IT staff.

All this complexity is now moving to
"Cloud-Based" analytics systems.

These new solutions capture data
from your systems
and deliver reporting and analysis tools
to you without significant IT support.



A Shift in the mindset needs to take place



FROM

"I need perfect data to run HR analytics."

"I need to update my HRIS before I can get into HR analytics."

"We are a long a way off from generating predictive analytics."

"I can't show ROI from HR analytics."

VS.



TO

There's no such thing as perfect data. Work with existing data to learn and improve. Account for Bad Data while making decisions

IT often lacks the resources to support you beyond transactional solutions look for cloud solutions which remove the burden and cost from IT.

Predictive insights on many challenges can be achieved now, with immediate impact.

If you can demonstrate the impact of attrition and absenteeism among productive employees, then you can show ROI.

All three or none.

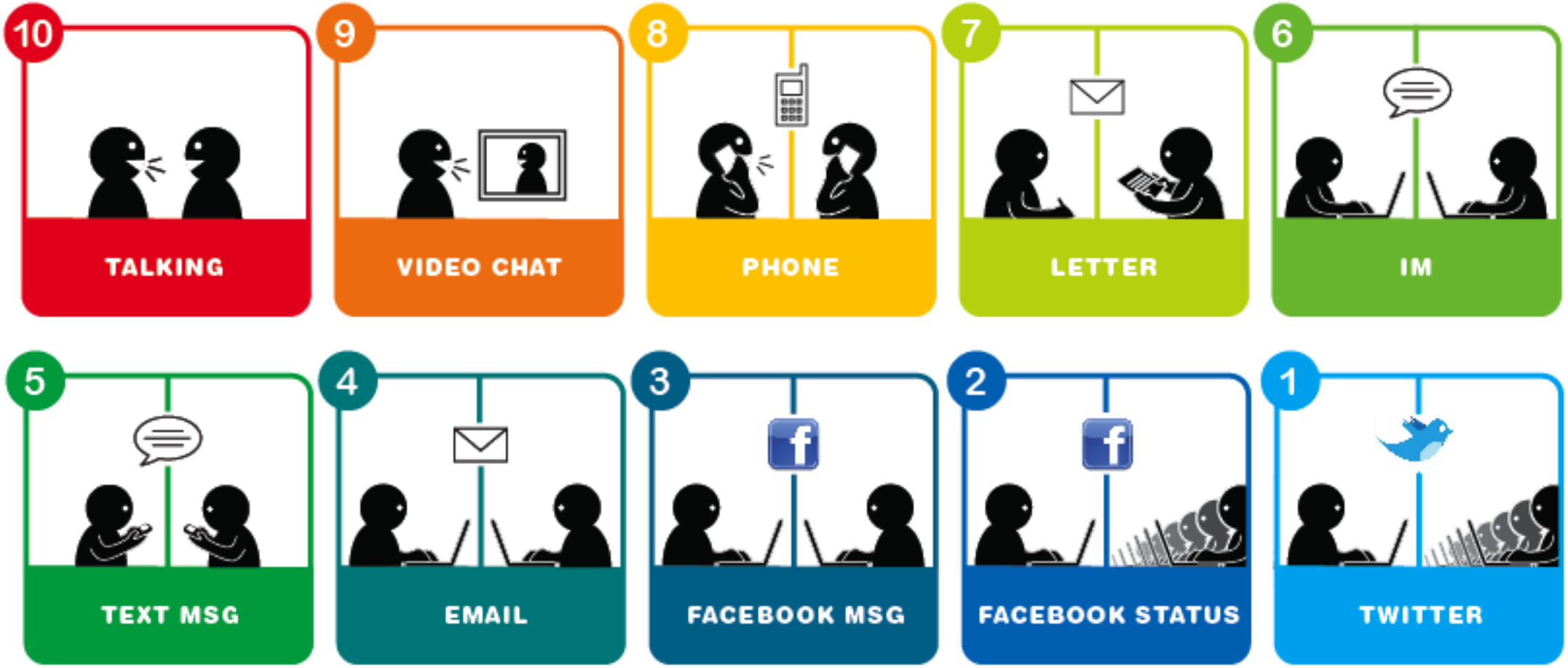


Thank you

“The truth may be puzzling… It may not be consonant with what we desperately want to be true. But our preferences do not determine what's true.”

Carl Sagan

10 levels of intimacy to reach me!!!



@RAMMURALY, murali@talentoz.com