

Blog:

“The Power of People Analytics: How successful organisations use workforce analytics to improve business performance”

HR in hospitality event Monday 25 July 2019
(Esther O'Halloran & Georgia Rotheron)

Hosted by Central Working, Victoria

Guest speaker Matthew Mee, Director Workforce Intelligence, Emsi

“HR needs ‘Proper Technology’ not what the IT team have sold you”

Often called workforce analytics, talent analytics, Google search suggest that People Analytics is the most common title for such data and information. It is becoming critical for HR professionals to embrace People Analytics as a strategic imperative if it is to have a seat at the boardroom table. Matthew Mee took us through the evolution of People Analytics, its importance in business today, signposted us to some very helpful resources and posed some very interesting questions.

Here are some of the key messages that resonated with our HR audience;

Why is data become important and the business context:

Intangible assets boards and exec teams interested in valuation of the business; what is driving this is and what the workforce creates – what's the return on investment (ROI). The need to do this through business data to get the message across, less about the fluffy 'we care about people'. Hard data is impactful.

There have been 3 waves of evolution:



- **People analytics:** Compound annual growth rates CAGR is growing in 4 key industry segments.
- **PWC survey 2018:** CEO annual report, what keeps the CEO mindset awake at night and workforce insights lens. HRD's need to be good at data.
- Evidence based HR: mandatory gender pay reporting, GDPR, due diligence, ethical HR throughout whole supply chain of your business

The People Analytics industry is predicted to become a USD2.5billion industry by 2020

So, what is driving People Analytics? – 3 key drivers

Creating Value	Mitigating Risk	Monitoring Compliance
----------------	-----------------	-----------------------

The Top Drives of People Analytics maturity”

Mature organisations are:

- 2 x** more likely to have a data council responsible for data governance
- 3 x** more likely to have strong partnerships with business units and corporate functions
- 3 x** more likely to have an organisational culture.

Measures and standards how do we do this: ISO30414 have just launched their first international framework standard for human capital reporting of people, there is a free and paid for versions of human capital metrics criteria, there is also a CIPD library.

- **Business critical measure according to Fitz Enz:**
 - Business critical turnover
 - Total cost of workforce as a % revenue and profit
 - Expenditure and Roi on L&D
 - Impact of employee engagement on productivity
 - Perceptions of leadership on culture.

Models and approaches: Look at areas like maturity levels self audit by Analytics in HR based in the Netherlands, “Talent analytics maturity model by Bersin and associates” Good practice companies include Shell, Unilever, ING tends to be the bigger company that invest in analytics.

This will help you drive positive business outcomes do not do it alone in a silo of HR need to collaborate with other functions.

- INSIGHT 222 model 9 dimensions for excellence in people analytics.
- Big companies are hiring analysts the big paramant consultancies are hiring PWC, Deloitte, EY etc so do you want to spend on consultancy or hire in own way.)see people and talent analytics live data)

The Business Impact:

- 69% large organisations have a people analytics team
- The payback is \$13 for every \$1 spent,
- Biggest impact is to improve the credibility of HR function and ee’ lifecycle reduced risk and improve NPS, productively and reduced costs +ve impact.
- Solves business problems: workforce planning, OD, recruitment & selection, EEG, productiviety and diversity.

- Disruptive technology employee listening technology landscape – what are you trying to achieve from surveys? How can you make the link there is some great technology out there to help you. Humu for example use ‘nudge’ techniques,
- ‘Visier’ are the biggest globally who aggregate data across systems ‘suck it all in clean it and present in one format’.
- Python software language and Data Science use programming and art data studio it is a free platform are tools that are affordable or free.
- HR analytics: Skills for success, global and cultural awareness, relationship management, data analysis, business acumen, GR systems implementation etc.

Companies with advanced capability in People Analytics have:

- 30% high stock prices
- 79% higher return on equity
- 56% higher profit margins

So, some questions to pose as food for thought:

Q: What is the most important business challenge (or opportunity) where you think people analytics insight can add value/reduce risk or improve compliance?

Q: What are the top 3-5 people metrics that might help impact or inform this?

Q: What analytics ‘projects’ could be built to test your hypotheses.

Q: Who in the business Executive team would you engage to sponsor and/or support this?

When thinking about technology:

Q: What technology would enable the greatest impact on your people analytics journey

Q: What capability gaps would you need to fill to undertake this project & how will you do it? Will you build, buy or borrow?

Check out the attached presentation for more information on

- Thought leaders & resources list.....
- Case studies list....
- Resources free blogs and books.....