IBM BusinessConnect 2014
A New Era of Smart

Driving a Smarter Workforce with IBM Business Analytics

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In a **SMARTER WORKFORCE** leaders understand & infuse their culture into:

- Planning for workforce succession & requirements
- Managing employee acquisition, development & retention
- Maximizing employee productivity, performance & potential

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New expectations for a new era:

CHRO insights from the Global C-suite Study

New expectations for a new era

CHRO insights from the Global C-suite Study

IBM Institute for Business Value
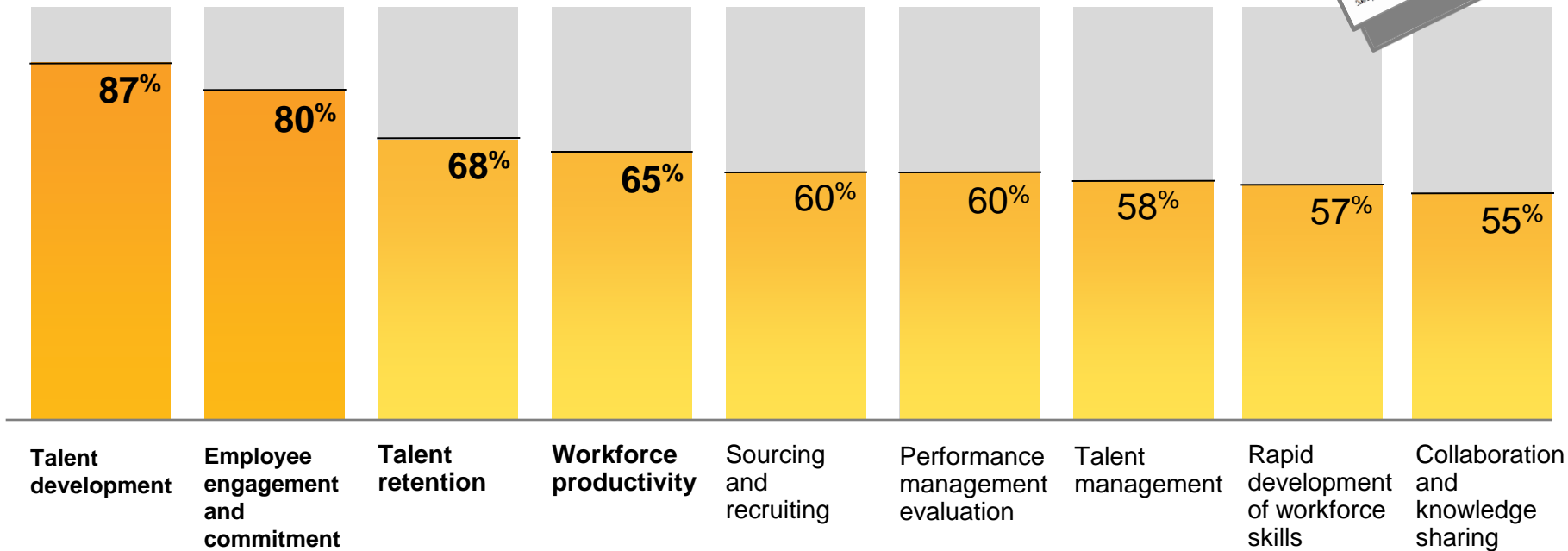
Outperforming organizations are utilizing analytics to address key workforce challenges
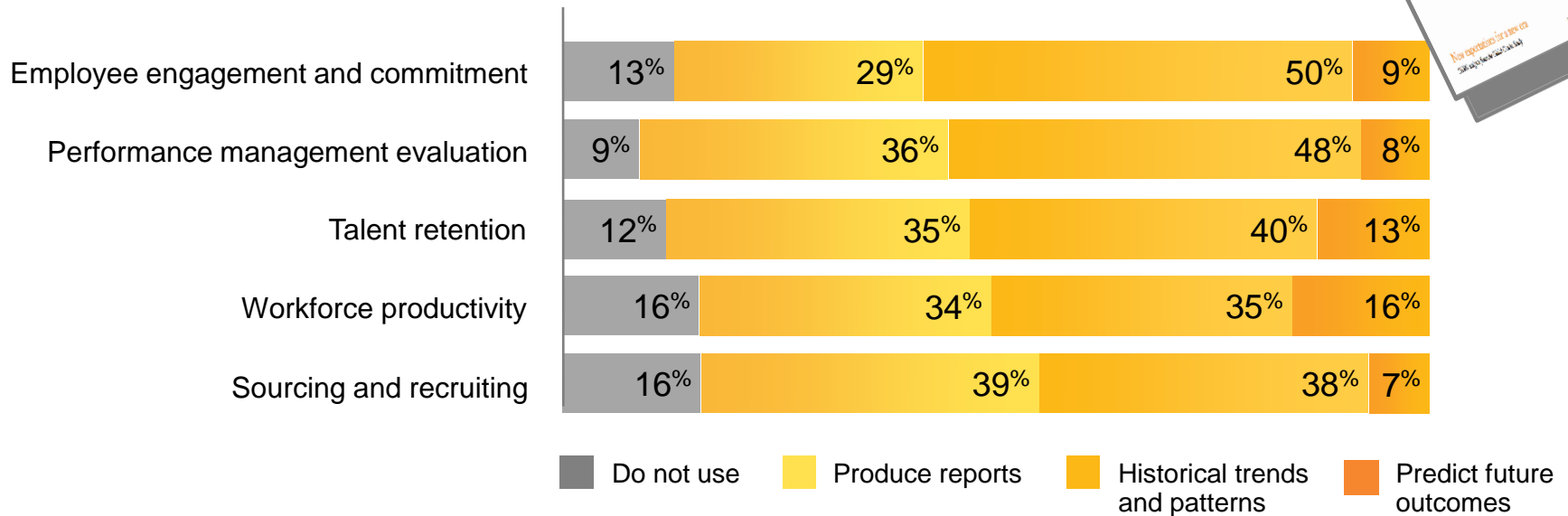
Effectiveness in addressing workforce challenges

Challenge	Analytic Outperformers	All others
Talent retention	72%	56%
Employee engagement and commitment	53%	38%
Performance management evaluation	53%	33%
Talent management	52%	25%
Workforce productivity	50%	29%
Rapid development of workforce skills	41%	24%

■ Analytic Outperformers   ■ All others
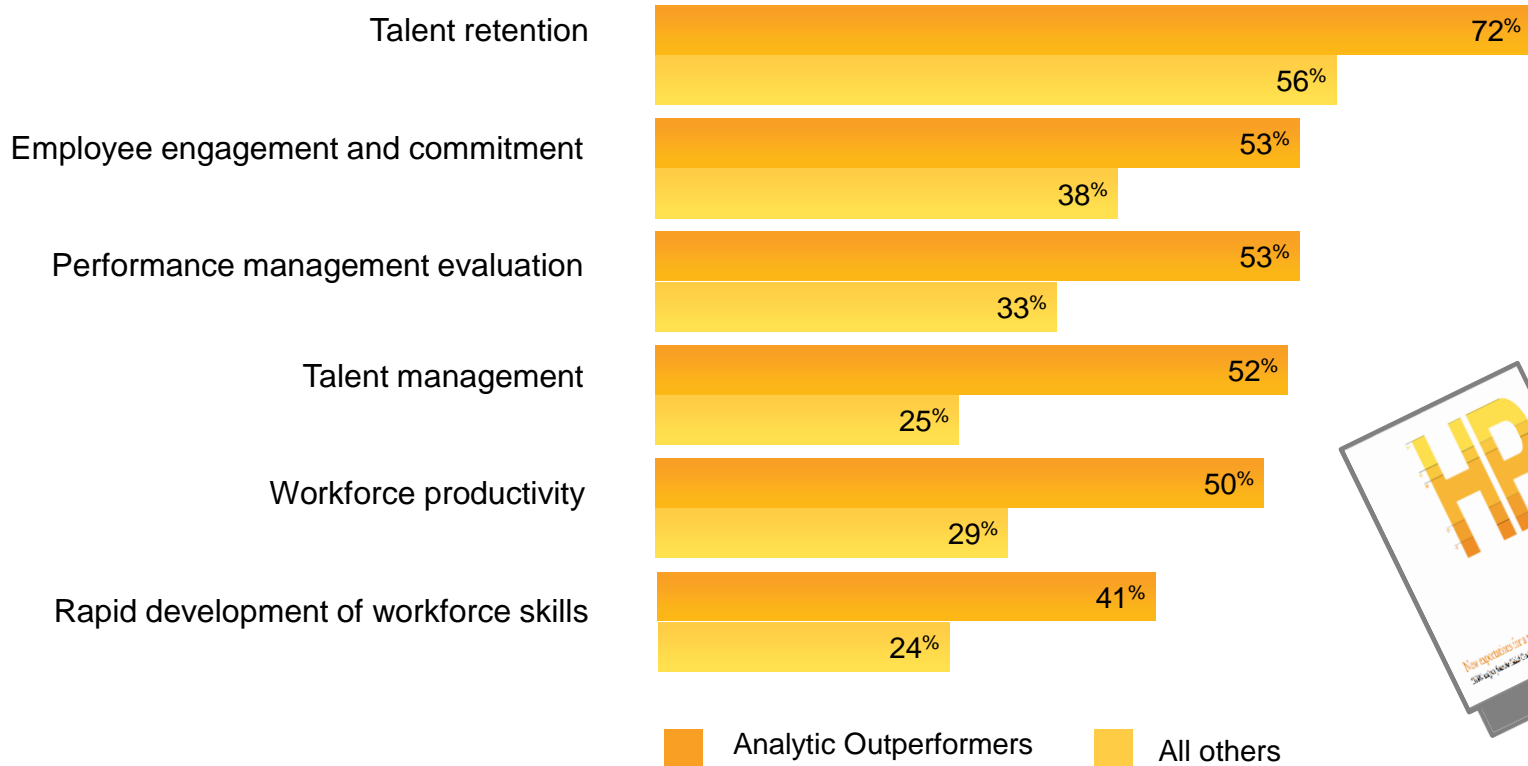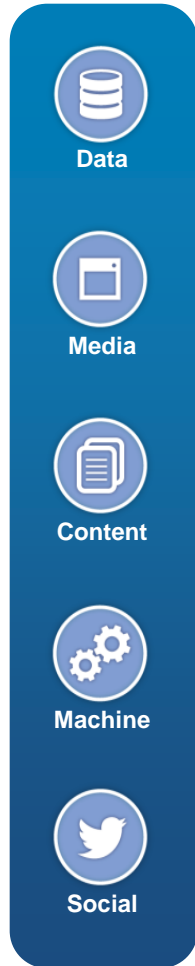
Source: IBM 2013 CHROI Study–How effective is your organization in addressing today's workforce challenges?; n=31 to 137 [CHRO only]

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Most organizations are still struggling to advance their analytics agenda and take full advantage of its potential…

Use of analytics today

	Do not use	Produce reports	Historical trends and patterns	Predict future outcomes
Employee engagement and commitment	13%	29%	50%	9%
Performance management evaluation	9%	36%	48%	8%
Talent retention	12%	35%	40%	13%
Workforce productivity	16%	34%	35%	16%
Sourcing and recruiting	16%	39%	38%	7%

Legend:
- Do not use
- Produce reports
- Historical trends and patterns
- Predict future outcomes

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The Continuum of HR or Workforce Analytics

Plan

Manage

Maximize

Cognos

SPSS

SPM/ICM SMA

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IBM Business Analytics spans the analytic continuum so you can:

Access all information…

Data

Media

Content

Machine

Social

What is happening?
Discovery and exploration

What action should I take?
Decision management

What did I learn, what's best?

Why did it happen?
Reporting and analysis

What could happen?
Predictive analytics and modeling

…answer key questions

…gain real business results

Plan for workforce and succession requirements

Manage employee acquisition, development, and retention

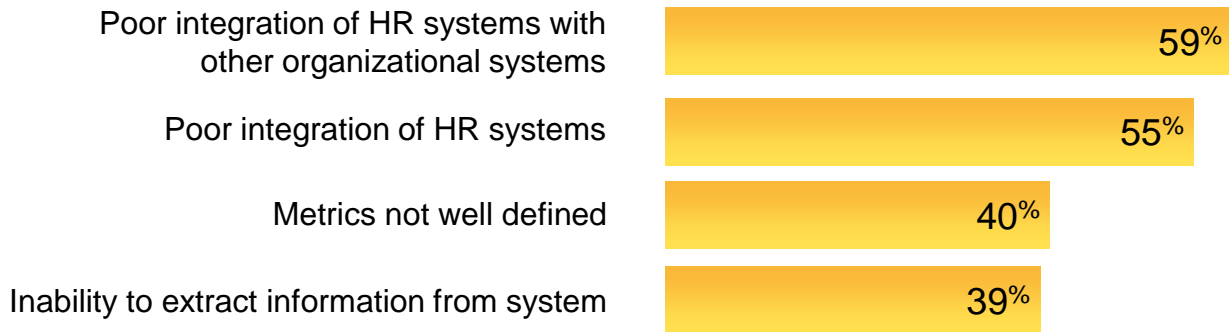**Maximize** employee productivity, performance, and potential

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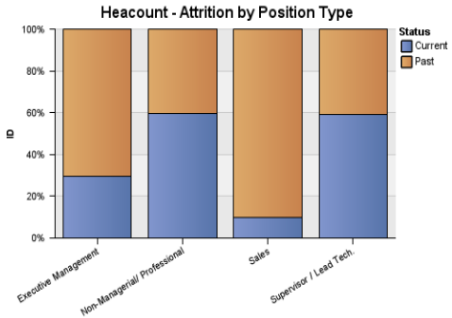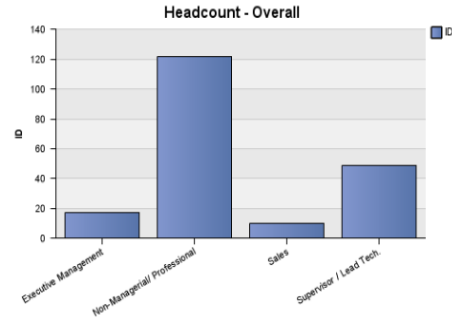# Plan: for workforce & succession requirements

The top challenge in applying workforce analytics is integration…

Poor integration of HR systems with other organizational systems	59%
Poor integration of HR systems	55%
Metrics not well defined	40%
Inability to extract information from system	39%

IBM Cognos Viewer | About | IBM

	Current				Past				Total
	Facility A	Facility B	Facility C	Total	Facility A	Facility B	Facility C	Total	
0-30 mnts	13	34		47	12	15		27	74
30-60 mnts	7	22	1	30	16	11		27	57
60-90 mnts	2	9		11	7	7		14	25
More than 90 mnts	6	14		20	14	7	1	22	42
Total	28	79	1	108	49	40	1	90	198

Headcount - Overall

Heacount - Attrition by Position Type

Integrate ALL data via a unified workspace for a historical, present and future view of the business

Source: Question CHRO5–What are the biggest challenges confronting your enterprise today in using analytics to make decisions?; n=321 [CHRO 2013 only]

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Mater Health predicts future staffing and training demands

Mater

Exceptional People. Exceptional Care.

Able to predict

future demand for nurses, doctors and entire health care workforce

99.8%

Confidence in attrition rate, up from 70%

Visibility

Of data for important workforce decisions, including scenario planning

Solution Software Components

IBM Cognos Workforce Planning & Performance

" [This] packaged application can provide interactive insight into workforce issues such as capacity, acquisition, development, retention, performance, and compensation with consolidated analytic reporting from multiple systems."

- Caroline Hudson, Executive Director of People and Learning

Manage employee acquisition, development, retention

RETENTION

Example Use Case

Predict Turnover and Determine Employee Incentives

Predictive Outcome

Available Information

- ❖ Culture fit
- ❖ Surveys
- ❖ Social media
- ❖ Length of Service
- ❖ Compensation

ID	Likelihood to Turnover	Key Performance Predictor	Incentive Option
641-564	89.7	Salary	Ensure salary is competitive
923-743	42.8	Recognition	Create awards program

Score individual employees on propensity to turnover, accept offer, etc… with targeted recommendation and incentive

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Dow Benelux maintains a happy workplace, lowers absenteeism, improves performance

Reduces to 3.1%

the rate of absenteeism, down from industry average of up to 6.7%

Up to €1,258,000

in annual savings due to decrease in absenteeism

Improved

the physiological and psychosocial health of employees

Solution Software Components

- IBM SPSS Statistics

"The solution helps us gain insights into key questions about employee well-being. Our employees are now generally happier and healthier—and our business avoids the loss of productivity that results from absences."

--Henry Martens, OHSS, Dow Benelux B.V.

Maximize employee productivity, performance, potential
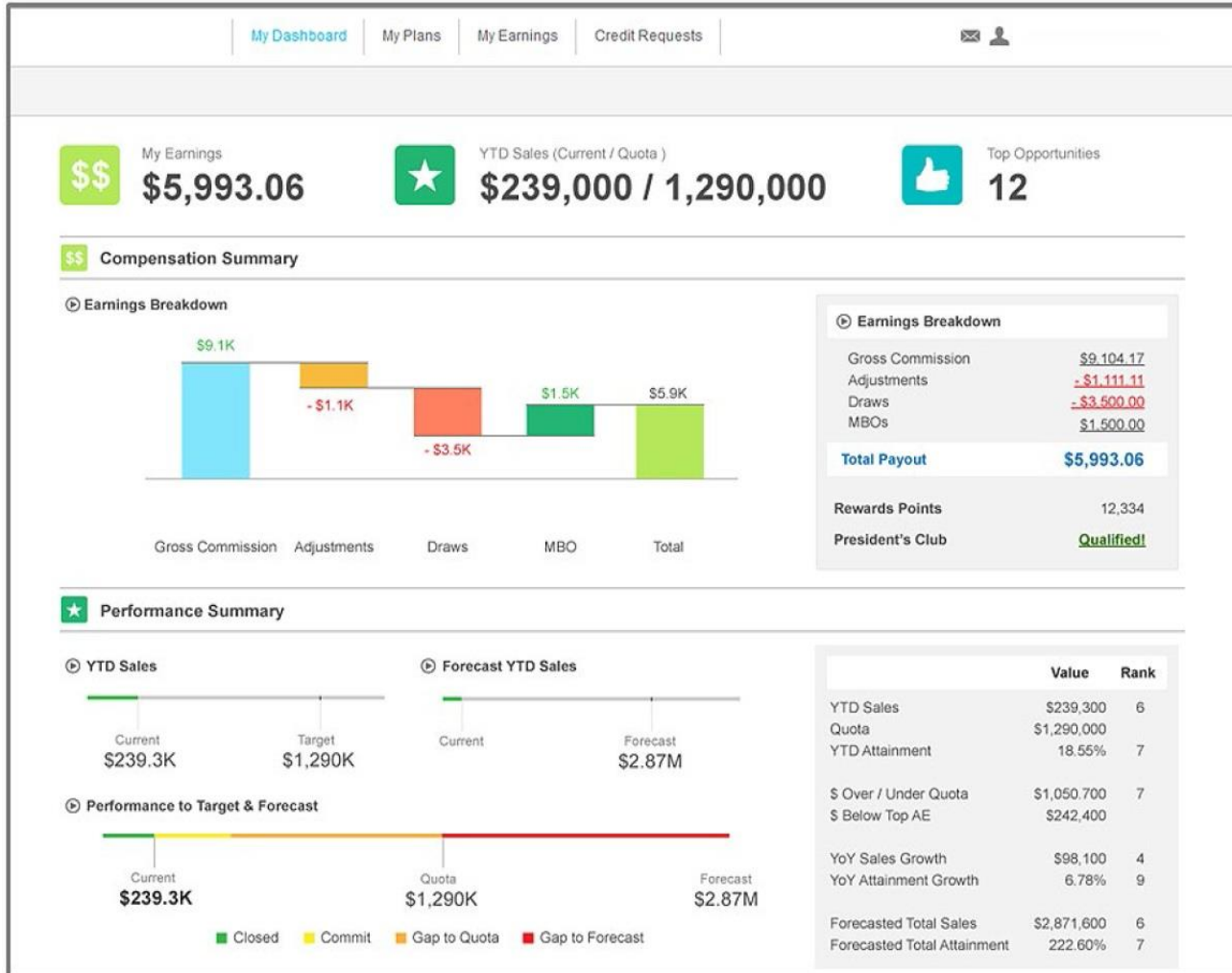
IBM Cognos Incentive Compensation Management

enables users to create, modify and implement compensation plans efficiently to drive desired performance

IBM Social Media Analytics

Easily understand what's being said about your organisation and by whom

- See who's talking

- Examine relationships

- Discover topics
- Review opportunities or risks

- Look who is an influencer

- Identify behavior

- Understand the response to
  messages and actions

Mitel Networks: reducing time-to-pay

Accelerates payment

times to 6 weeks from 2 weeks

Reduces

of people working on commissions from 30 to 3

Aligns

plans with corporate objectives and determines global commission investments based on data-driven evidence

Solution Software Components

- IBM Cognos Incentive Compensation Management
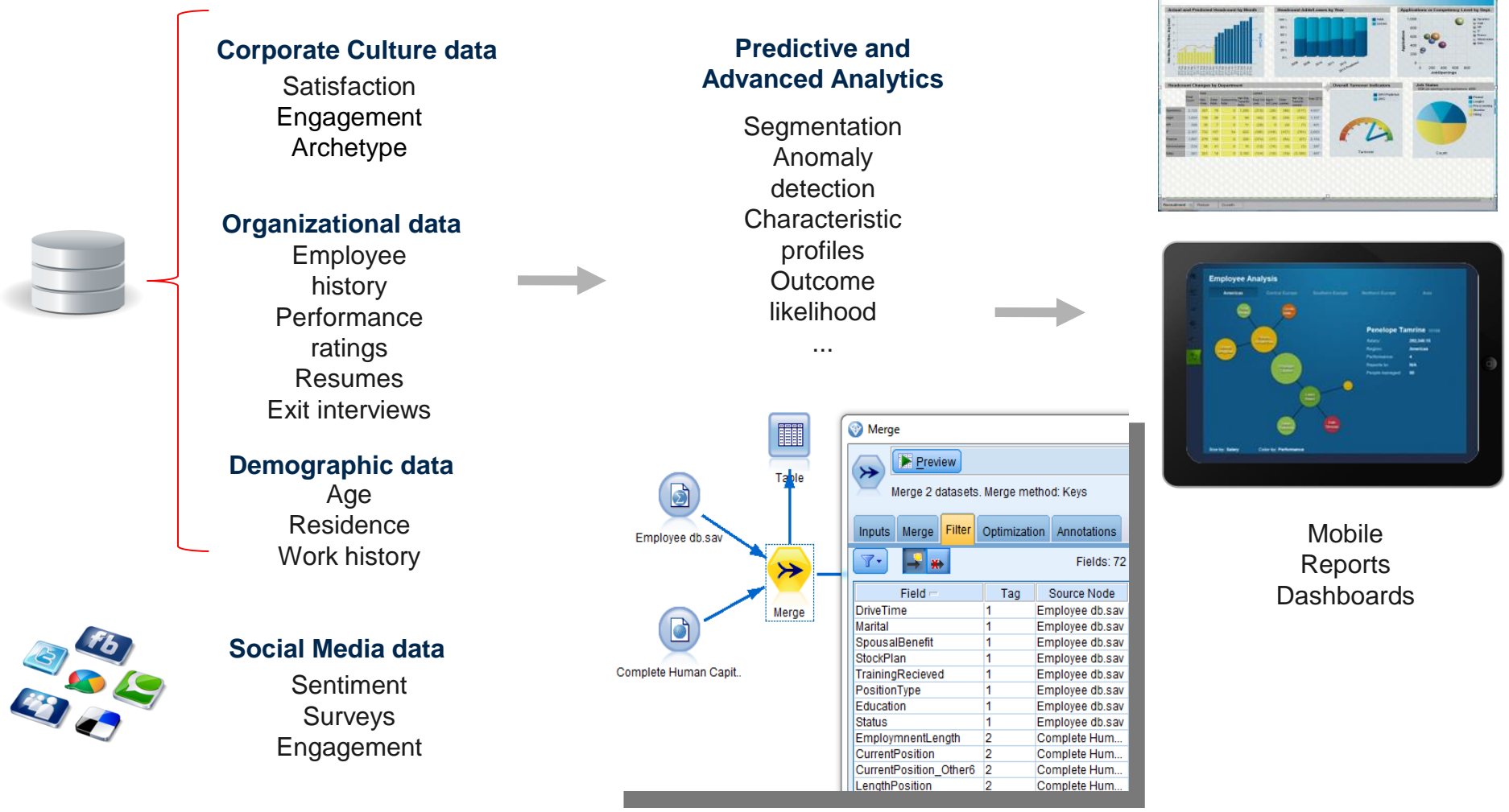- IBM Cognos Sales Performance Management

"Cognos SPM has enabled a high degree of confidence and trust within our sales organization. Reps know that they are being paid properly, which enables them to focus on selling and making money."
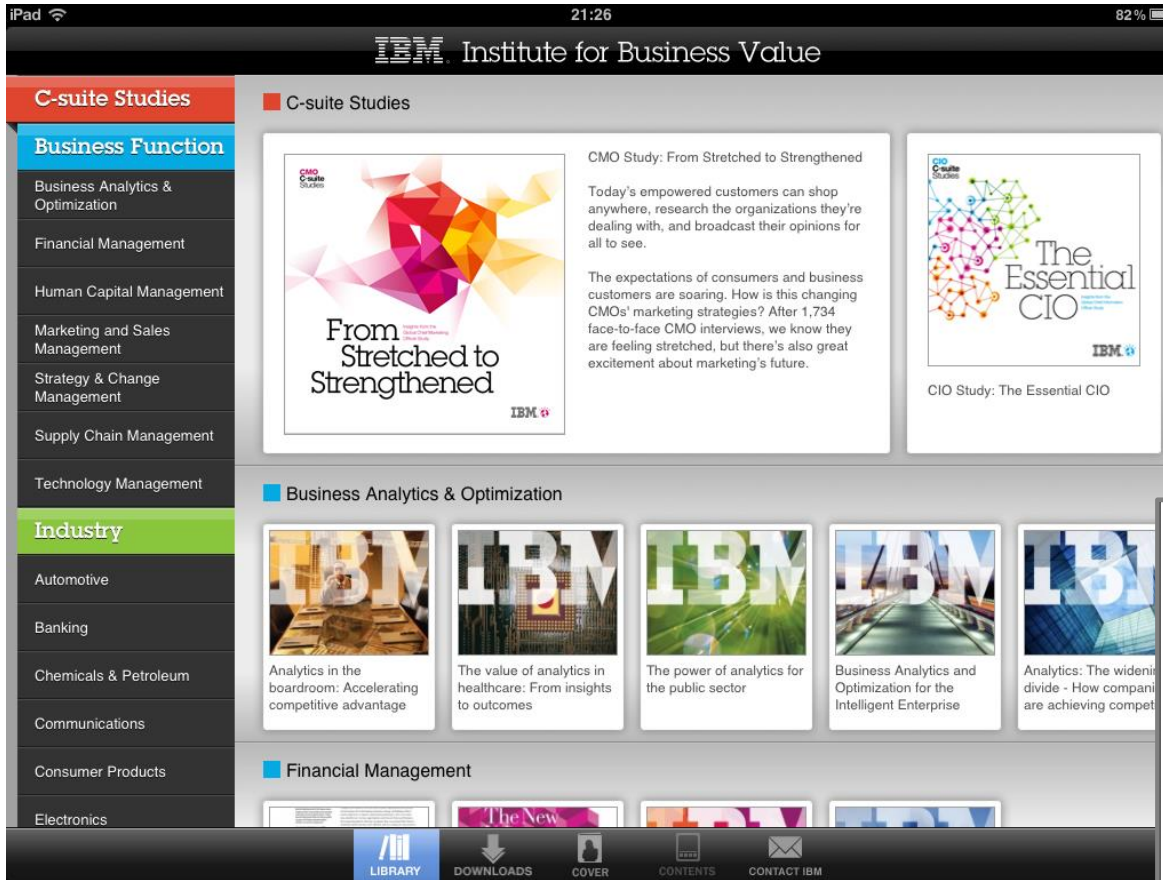
- Scott McGillivray, HR Compensation Analyst, Mitel

CONCLUSION: HR information is a rich source for analytics

Corporate Culture data
Satisfaction
Engagement
Archetype

Organizational data
Employee
history
Performance
ratings
Resumes
Exit interviews

Demographic data
Age
Residence
Work history

Social Media data
Sentiment
Surveys
Engagement

Predictive and Advanced Analytics

Segmentation
Anomaly
detection
Characteristic
profiles
Outcome
likelihood
...

Employee db.sav

Complete Human Capit..

Table

Merge

▶ Preview

Merge 2 datasets. Merge method: Keys

| Inputs | Merge | Filter | Optimization | Annotations |

Fields: 72

Field	Tag	Source Node
DriveTime	1	Employee db.sav
Marital	1	Employee db.sav
SpousalBenefit	1	Employee db.sav
StockPlan	1	Employee db.sav
TrainingRecieved	1	Employee db.sav
PositionType	1	Employee db.sav
Education	1	Employee db.sav
Status	1	Employee db.sav
EmploymnentLength	2	Complete Hum...
CurrentPosition	2	Complete Hum...
CurrentPosition_Other6	2	Complete Hum...
LengthPosition	2	Complete Hum...

Employee Analysis

Penelope Tamrine

Mobile
Reports
Dashboards

IBM

IBV

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