### IBM® Smarter Workforce Institute

# Starting the workforce analytics journey: Your first 100 days

Nigel Guenole and Kieran Colville



## Reference for today's presentation

Starting the workforce analytics journey: Your first 100 days.

IBM Smarter Workforce Institute Report

Nigel Guenole, Sheri Feinzig, Jonathan Ferrar, Joanne Allden

"HR ... is still learning how to set up an effective analytics function."

Jeremy Shapiro, Morgan Stanley





## Today's presentation

- The rising importance of analytics in Human Resources
- The need for practical advice on 'analytically enabling HR'

Phase 1: Direction setting

Phase 2: Defining approach

Phase 3: Growing capability

The ongoing journey



# The rising importance of analytics in HR

"Rapid developments in technology ... have opened up new analytic possibilities to HR"

"The potential ... to improve HR effectiveness is bringing workforce analytics to the forefront of HR executives' minds."



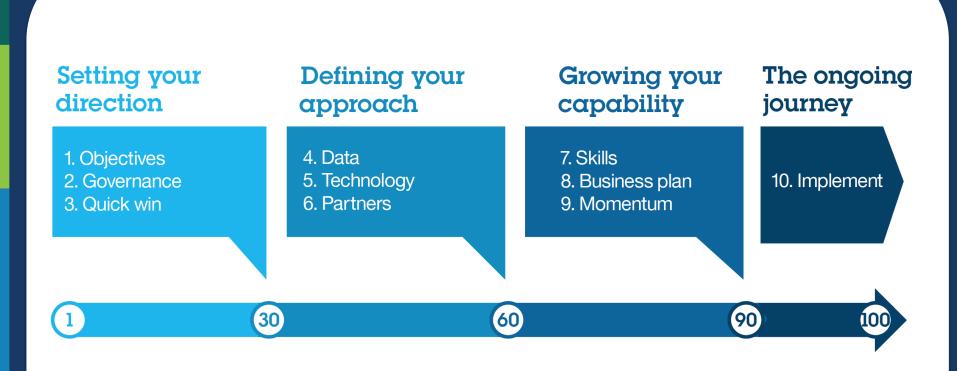
## The need for practical advice

- ✓ Benchmarking against other firms
- ✓ Technical advice on analytic techniques and technologies
- X Practical advice on how to embed analytics
- X Organizational development perspective

Do we need an HR analytics function, or can we outsource it?



## The first 100 days



"Many people think that workforce analytics starts with the data, but it doesn't. It starts with clearly establishing why you're here, and what the business needs are."

Sheri Feinzig, Director, IBM

## Phase 1





## Articulate your objectives

- Establish your vision
- Confirm the scope of your analytics function

## Define your governance model

- Stakeholder consultation
- Understand the rules of the game
- Plan for action

## Get a quick win

- Project prioritization
- Sponsor identification





## Project prioritization matrix

\_evel of Impact
Indirect/Productivity
Inction Improvement

Direct/Cost Reduction

#### **Fast Path to Action**

Easy to implement, delayed returns

(e.g., Interpret results and prioritize actions following business performance review)

# Long-Term Business Improvement

Hard to implement, delayed returns

(e.g., Enhance client satisfaction and profitability by optimizing skill mix on client engagements)

#### **Quick Win**

Easy to implement, fast returns

(e.g., Improve efficiency of sourcing and recruiting to reduce cost per hire)

#### **Long-Term Cost Savings**

Hard to implement, fast returns once implemented

(e.g., Move to new employee self-service HR system)

Easier/No Change in the way Work Gets Done

Harder/Substantial Workforce Transformation

Ease of Implementation



"30 percent of the data drives 70 percent of the value. To make the data accurate, make it visible to as many people as possible ... as people will usually tell you if their data is wrong"

Tom Stachura, Vice President, IBM

## Phase 2





- Know your data
  - Data quality
  - Data management
- Know your technology options
  - Traditional technology solutions
  - Cloud technology solutions
  - Cognitive computing and advanced visualization
- Know your partner options
  - Insource, outsource, or partner?





## Phase 3

""The leader of the analytics function doesn't need to be the best statistician. They need to be ... able to talk about business outcomes and results."

Tina Marron-Partridge, VP and Executive Partner, IBM

# Growing your capability

- 7. Skills
- 8. Business plan
- 9. Momentum





- Identify skills and rolls
  - Leadership
  - Specialists, generalists, or blends?
- Complete a business plan
  - Plan your approach to enablement
  - Adopt a consultancy model
  - Link analytics to business outcomes
  - Perspectives on the technology investment





## **Enablement options**

Pros Cons

Up-skill HR business partners

Analytics becomes a way of doing business as opposed to an add-on

HR staff may lack time or interest in becoming analytics specialists

Create dedicated HR team or center of excellence

Clear mandate to work on HR issues from an analytical perspective Process associated with establishing the function may detract from executing the work

Join existing enterprise analytics function

Broad and deep analytics experience always on hand May distract from a clear focus on people related problems

Use external service providers Time consuming data and technology problems are handled by external experts

May offer less control than internal provision



"Don't make the mistake of thinking HR analytics is only about statistical analysis. The real value is the business improvement ... from the interventions."

Eric Lesser, Research Director, IBM

# The ongoing journey





- Analyze associations between data
- Take action based on insights
- Evaluate interventions





# Workforce analytics value chain

HR actions impact workforce behavior, which impacts business performance

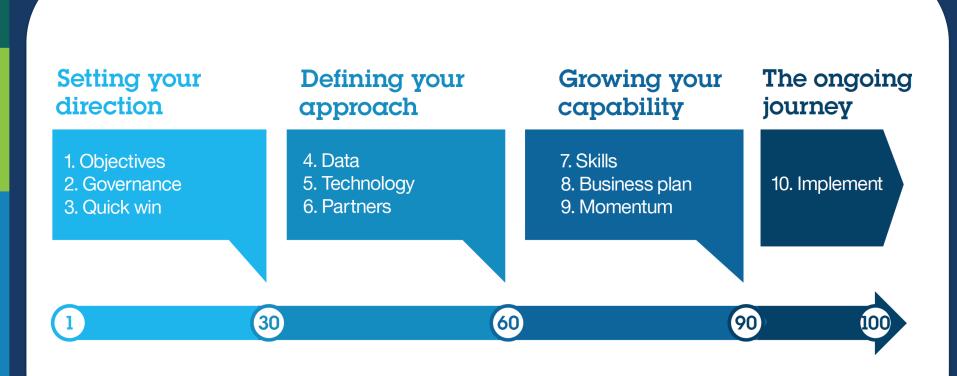
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HR Practices
and Policies
e.g. learning and
talent practices
(example metrics: learning
event participation rates
and satisfaction ratings)

Process and
Workforce
Effectiveness
e.g. quality of hire,
employee engagement
(example metrics: peer
ratings of new hires,
engagement survey
scores)

Business
Effectiveness
e.g. business unit
productivity and
growth
(example metrics: YTY
revenue growth, market
share percentage)

## The first 100 days



# Your next step

- Download the report: <a href="https://ibm.biz/analytics-first100days">https://ibm.biz/analytics-first100days</a>
- Set your vision
- Begin your journey





## Thank you

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