UNLOCKING THE POTENTIAL OF 'LONG DATA' TO DRIVE WORKFORCE ANALYTICS

Organizations around the world are making significantly higher investments in their talent. But the question on everyone's mind is, how well are those investments paying off?

Many of the world's leading organizations report they have increased their investment in talent as a competitive differentiator, according to the Talent Barometer research[1] that Mercer presented at the 2013 World Economic Forum (WEF) in Davos, Switzerland. But at the same time, only a quarter of these organizations rank their investment as highly effective. This further confirms that organizations must develop systematic processes to forecast future workforce needs and determine the most effective strategies to fulfill them.

Business and HR leaders are increasing demand for fact-based decisions about their investments in human capital. Given that talent is a company's most costly and critical asset, the question is, does your organization have the insights and experience to turn people-related data into meaningful information for decision making?

Like many other organizations across the globe, the starting point of the journey is through the use of workforce metrics and analytics. They afford you a way of capturing the power of "big data" to unlock workforce insights. Unfortunately, many companies seem to get lost in the fog of big-data analysis. Mercer addresses these challenges by leveraging its solutions and the power of "long data" to unlock people-related insights.

MOVING FROM 'BIG DATA' TO 'LONG DATA'

Long data — a term coined by mathematician and network scientist Samuel Arbesman — is described as "data sets that have massive historical sweep."[2] In terms of workforce analytics, big data provides deep analysis typically focused on a *point in time*, while long data provides insights from stories that have unfolded *over time*. Thoughtful analysis of long data therefore allows organizations to identify, segment, and analyze information as part of an ongoing process to drive meaningful and informed results. It can also mitigate the risks associated with perpetually making reactive or point-in-time decisions.

Mercer's 2013 Global Performance Management survey shows that companies want to drive high performance but do little to track the impact of their performance management approaches or workforce/business outcomes. Mercer's approach to human capital management includes the ability to link historical performance management with compensation practices, completely redefined by the proper use of long data and the insights that such data can provide. At any given point, most employee performance ratings match a classic bell curve, which is not in itself very revealing. However, with the proper segmenting of employee populations and their performance over time, trends and barriers can reveal themselves quite dramatically.

To assist organizations in unlocking the vast potential of long data, we work with our clients to combine the power of Mercer's intellectual capital and the organization's human capital data to identify and drive a culture of sustained performance over time. To do this, Mercer segments employees based on their performance rating over two to five years to identify those employees who have consistently received high performance ratings (sustained high performers) and those employees who have consistently received low performance ratings (sustained low performers). This new way of viewing data longitudinally can fundamentally change the traditional performance review process. Data analysis presented in a simple, intuitive format highlights key areas of focus and serves as a catalyst for targeted, root-cause analysis. Organizations are provided with answers to strategically critical questions, such as:

- Do we reward employees who consistently receive high performance ratings through greater pay increases, promotions, and career opportunities?

- How can we make better decisions regarding our salary and short- and long-term incentive budget allocation based on sustained employee performance?

- Do we effectively manage employees who consistently receive low performance ratings?

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[1] Mercer. "New Talent Barometer Report Identifies Effective Talent Practices, Key Enablers," available at http://www.mercer.com/talentbarometer, accessed June 20, 2013.

[2] Arbesman, S. "Stop Hyping Big Data and Start Paying Attention to 'Long Data,'" *Wired*, available at http://www.wired.com/opinion/2013/01/forget-big-data-think-long-data, accessed June 3, 2013.

Strengthening big data with an in-depth view of individual and aggregate trends over time is a game changer in the evolution of workforce analytics.

TIME FOR CHANGE

It's time to advance to the next generation of analytics — Mercer Analytics, which allows organizations to more efficiently deploy their human capital to minimize costs, drive top-line revenue, and build a sustainable competitive advantage. It's time for organizations to leverage the analytics of tomorrow to fundamentally transform their businesses today!

PLAN FOR TOMORROW'S WORKFORCE NEEDS TODAY!

CONTACT US TO LEARN MORE

To learn more about Mercer's new analytics solutions and the power of long data, as well as the full suite of Mercer Analytics features, functions, and add-on options, please visit www.mercer.com/merceranalytics.

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12121B-TL-110314