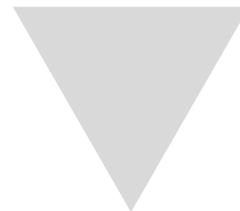# GETTING STARTED WITH WORKFORCE ANALYTICS: HOW TO MOVE FROM *I THINK TO I KNOW*

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MAKE TOMORROW, TODAY   MERCER

THE PROMISE OF WORKFORCE ANALYTICS

There is tremendous opportunity for companies to use workforce data to improve operational performance.

As Talent Capital becomes the main source of competitive advantage, we need to manage this asset with the same rigour we would any other investment.

The biggest growth area in HR technologies is **workforce analytics**, from **14% to 46%** in the next 3 years

Source: CedarCrestone's 2013-2014 Outlook Report

Hottest Jobs for 2014: **Head of HR Analytics**, second only to the CHRO position

Source: CT Partners 19th annual executive jobs forecast

More than **66%** of organisations are **significantly increasing** investments in WFA in 2014

Source: Bersin Predictions for 2014

Myth-bust assumptions based on intuition

Client had high turnover in a key revenue-generating role.

They assumed that pay increases was the best strategy; however, the data showed that manager stability and internal movements would have a much bigger impact.

By focusing on these strategies, the client reduced turnover by over 20%.

HOWEVER, DESPITE INVESTMENTS IN ANALYTICS, ORGANISATIONS ARE STRUGGLING TO REALISE THE PROMISE

Research conducted over the last two years shows:

- Only 4% of companies perform "predictive analytics" about their workforce.

- Only 14% have conducted "statistical analysis" of employee data at all.

These remaining **84%** on the other side of the chasm are still dealing with data management and reporting challenges, trying to get out from under the **burden** of ad-hoc reports to deliver standard operational metrics.

Source: http://www.forbes.com/sites/joshbersin/2013/10/07/big-data-in-human-resources-a-world-of-haves-and-have-nots/

THE BUILDING BLOCKS TO SUCCESSFUL WORKFORCE ANALYTICS

1 — **HAVE FOCUS.** Focus your data strategy and analysis on the right question.

2 — **CREATE A DATA STRATEGY.** Build a data asset based on the analysis needed, not on the data available.

3 — **CREATE A FUNCTION.** Have a strategy for creating and developing the workforce analytics function.
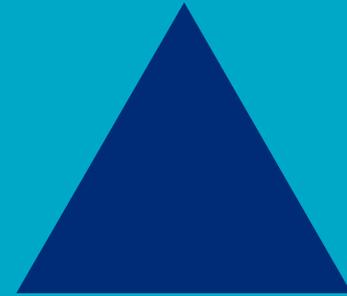
4 — **END USER PLAN.** Identify who the consumer of data will be, and then understand and educate them accordingly.

5 — **PRESENT THE ANALYSIS.** Ensure that you effectively present the analysis with the right visuals and story.

1. HAVE FOCUS

"

Technology is so much fun, but we can drown in our technology. The fog of information can drive out knowledge.
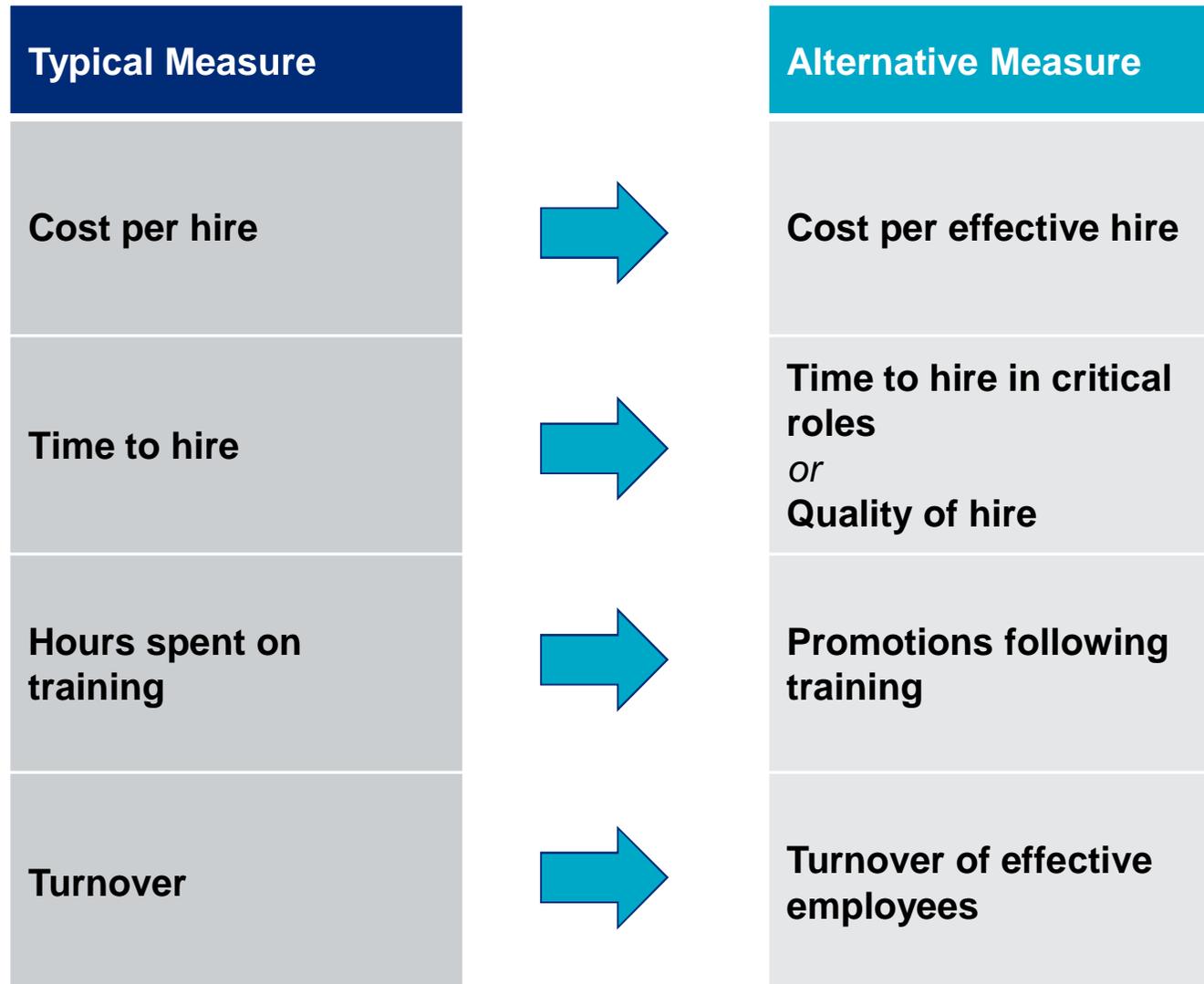
Daniel J. Boorstin

"

KEY POINT

The metrics and analytics are only as good as the question that generated them — if the question is no longer relevant, the metrics and analytics become data smog.

FOCUSING ON THE RIGHT QUESTION
WHAT CAN YOU MEASURE?

Typical Measure		Alternative Measure
Cost per hire	→	Cost per effective hire
Time to hire	→	Time to hire in critical roles *or* Quality of hire
Hours spent on training	→	Promotions following training
Turnover	→	Turnover of effective employees

DETERMINE IMPACT
ASSESS PEOPLE CHALLENGES AND OPPORTUNITIES

Key discovery questions for business leaders:

- What are some of the key workforce issues and risks you are currently facing?

- What information about your workforce would help you run your business better?

- How do people impact success in your part of the business?

- If you could change one thing about your workforce practices, what would it be and why?

DETERMINE IMPACT
CONSIDER BUSINESS AND PEOPLE OBJECTIVES

| **Business Objectives**	**People Implications**	**Determine Impact**
• Accelerate shift from product focus to customer focus, developing integrated, customised solutions to client needs.	• Diverse and experienced "home-grown" talent (e.g., deep knowledge of key markets, customers, products).	• Is there a relationship between tenure or experience across functions and customer satisfaction and/or sales? • Do we build or buy our workforce? • What is the retention rate of our high tenured customer facing roles? • What is the internal mobility and experience across functions of our customer facing roles?

2. CREATE A DATA STRATEGY
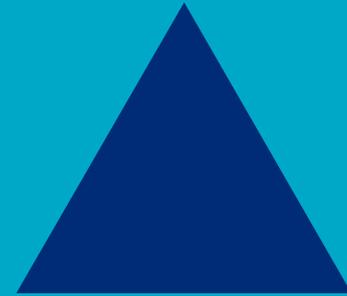
MEASUREMENT: A SCIENCE AND AN ART

- **Does the data need to be 100% accurate?**
  - Critically assess the level of accuracy and confidence needed for different sources of data. Headcount? Directional trends?

- **Lessons from Finance — limited data to describe organisational performance:**
  - Estimates.
  - Assumptions.
  - Educated guesses.

- **If the data doesn't exist, is it easy to construct?**
  - Availability of related data.
  - Practical aspects of data construction.

- **Using pulse surveys:**
  - General trend data, rather than precise figures.
  - Data to address a problem is updated infrequently.
  - Data on employee opinions/supplementary data.
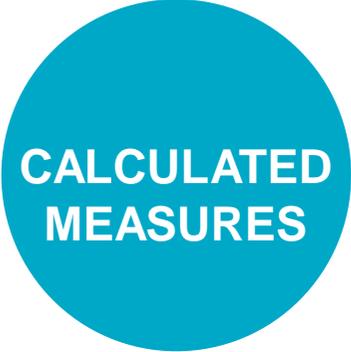
CREATE A DATA DICTIONARY

BASE MEASURES

Definition: Basic counts

Example: Voluntary Terminations

Considerations: Determine what is included and excluded

CALCULATED MEASURES

Definition: Uses base measures as part of a formula

Examples: Voluntary termination rate

Considerations: Determine intent and purpose and how it will be interpreted

ATTRIBUTES

**Definition:** Fields to pivot and filter measures by

Examples: Termination Reason

Considerations: Determine appropriate groupings

COMBINING MULTIPLE SOURCES OF DATA

PEOPLE DATA

- Characteristics
  - gender, age

- Individual data
  - performance, potential

- Role data
  - position, job family

- Organisation data
  - retention, reward

- Engagement survey
  - intention to quit, confidence in senior management
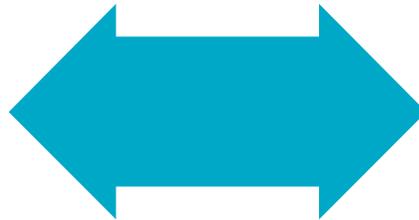
BUSINESS DATA

- Business performance
  - profit/loss, market share

- Individual performance
  - sales/profit, customer acquisition/retention

- Customer satisfaction
  - repeat business, net promoter score

- Finance
  - spend, investment

3. CREATE A FUNCTION
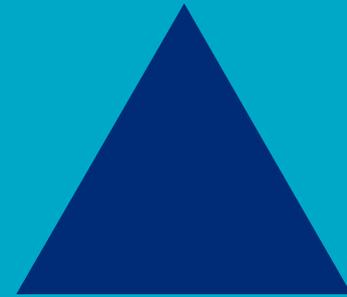
A MATURE WORKFORCE ANALYTICS AND PLANNING CENTRE OF EXPERTISE TEAM

COE LEADER

WORKFORCE ANALYTICS & PLANNING SPECIALIST(S)
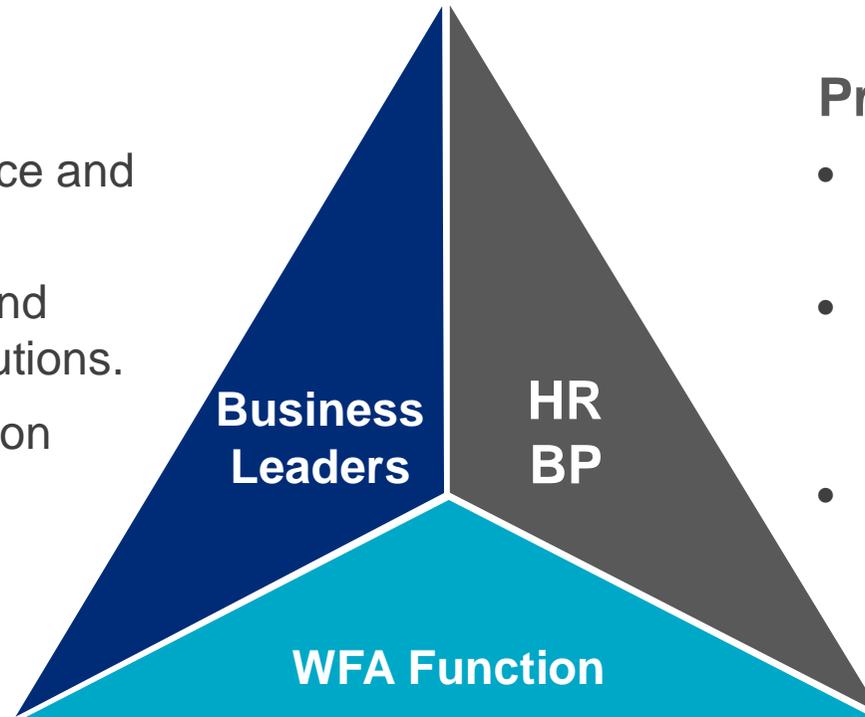
DATA INTEGRATION SPECIALIST

TECHNICAL RESOURCE

STRUCTURE
BE CLEAR ON RESPONSIBILITIES

Strategic guidance

- Give strategic guidance and context.
- Business scenarios and related workforce solutions.
- Manage implementation and communication.

Process facilitation

- Partner to drive development of metrics requirements.
- Engage business leaders in interpreting workforce data and metrics.
- Drive appropriate actions to address workforce needs based on data.

Business Leaders · HR BP · WFA Function

Process and quality guidelines

- Define workforce analytics and planning processes, provide guidance and templates.
- An objective, single source of data.
- Ensure communication and training of all stakeholders (HR and line).

CREATE A FUNCTION
QUESTIONS TO ASK YOURSELF

- **What workforce analytics resources do you have in your organisation?**

  – Are they dedicated resources, or do they also have other roles?

  – Are they different to your HRIS/reporting resources?

  – Where do they sit in the organisation?

- **Do your business leaders and HR business partners have a defined role as it relates to workforce analytics?**

4. END USER PLAN
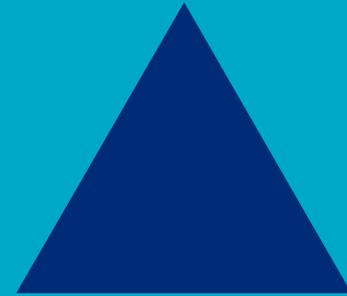
THE CHALLENGE

Building the necessary skills to analyse and interpret workforce data.

"I have data, but how do I make sense of it?"

"My managers need help understanding how to drive impact with workforce data."

"I see numbers, but I don't know if they're good or bad."

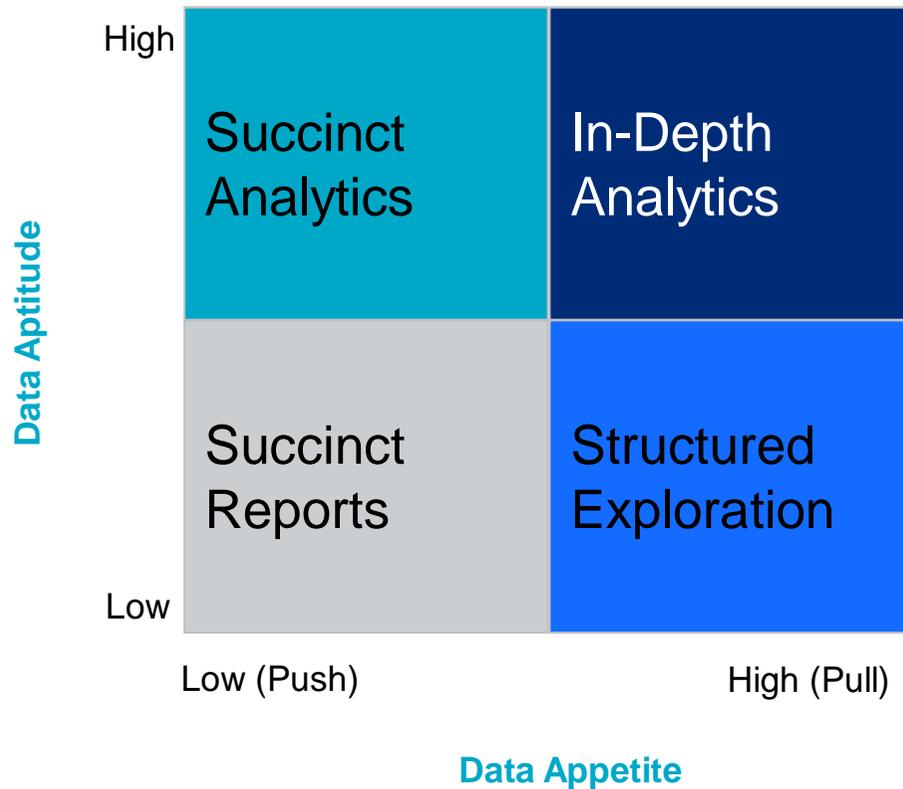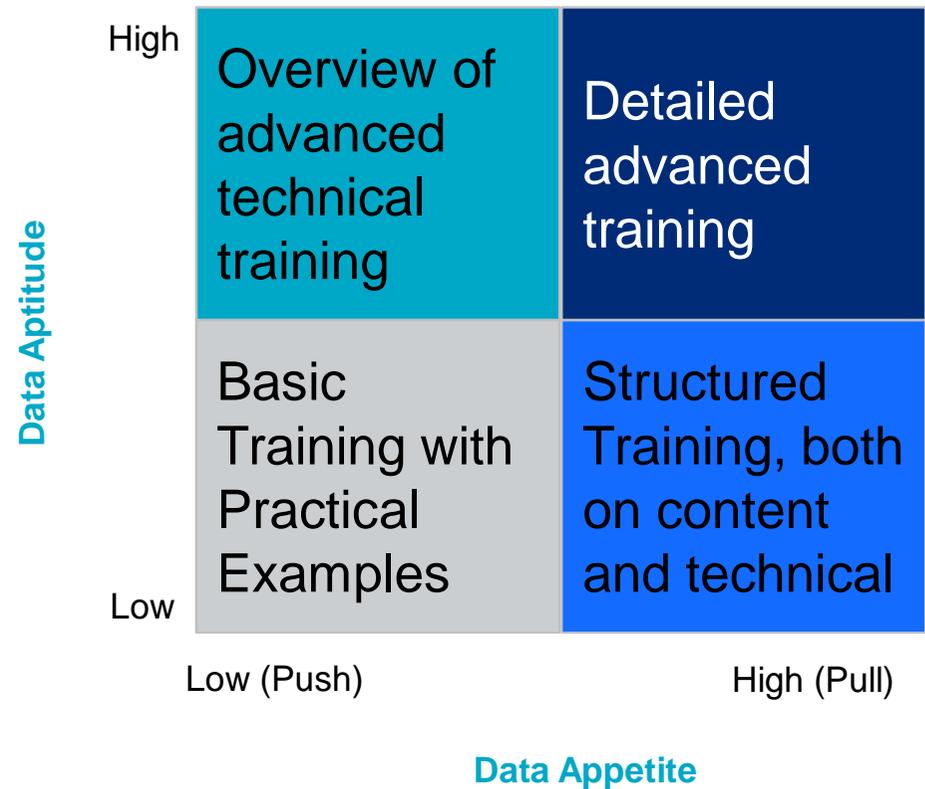|			
BOARD	EXECUTIVE/ SENIOR MANAGEMENT	HR LEADERSHIP TEAM	HR GENERALISTS/ HRBPS
HR ANALYSTS	OPERATIONAL AND WORKFORCE PLANNING	LINE MANAGERS	TALENT ACQUISITION
SUCCESS MANAGEMENT/ PERFORMANCE	TRAINING/L&D	DIVERSITY AND INCLUSION	COMPENSATION AND REWARDS

STEP 2: UNDERSTAND YOUR END USERS
## WHAT IS THEIR APPETITE AND APTITUDE FOR DATA?

Report Characteristics

	Low (Push)	High (Pull)
High	Succinct Analytics	In-Depth Analytics
Low	Succinct Reports	Structured Exploration

Data Aptitude (vertical axis)

Data Appetite (horizontal axis)

Ideal Training Approach

	Low (Push)	High (Pull)
High	Overview of advanced technical training	Detailed advanced training
Low	Basic Training with Practical Examples	Structured Training, both on content and technical

Data Aptitude (vertical axis)

Data Appetite (horizontal axis)

OUTLINE TRAINING AND COMMUNICATION NEEDS ACCORDINGLY

Key User Group	Mercer Analytics Platform Interface	Training Plan			
		What	**How**	**When**	**By Whom**
HRBP Team Champions	Online platform access and ad hoc access Super-users only: documentation creation	Dashboard Navigation Training	Webinar	1 Nov	WFAP COE
		Metrics and Dashboard Interpretation Training	Onsite 1 day	1 Dec	Mercer
		Advanced Document Builder Training (not standard)	Onsite 1–2 days	9 Dec	WFAP COE
HR Leadership Team	Online platform access, no ad hoc access	Dashboard Navigation Training	Webinar	1 Nov	WFAP COE
		Metrics and Dashboard Interpretation Training	Onsite 1 day	1 Dec	HRBPs

5. PRESENT THE ANALYSIS
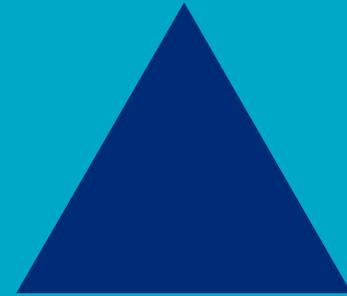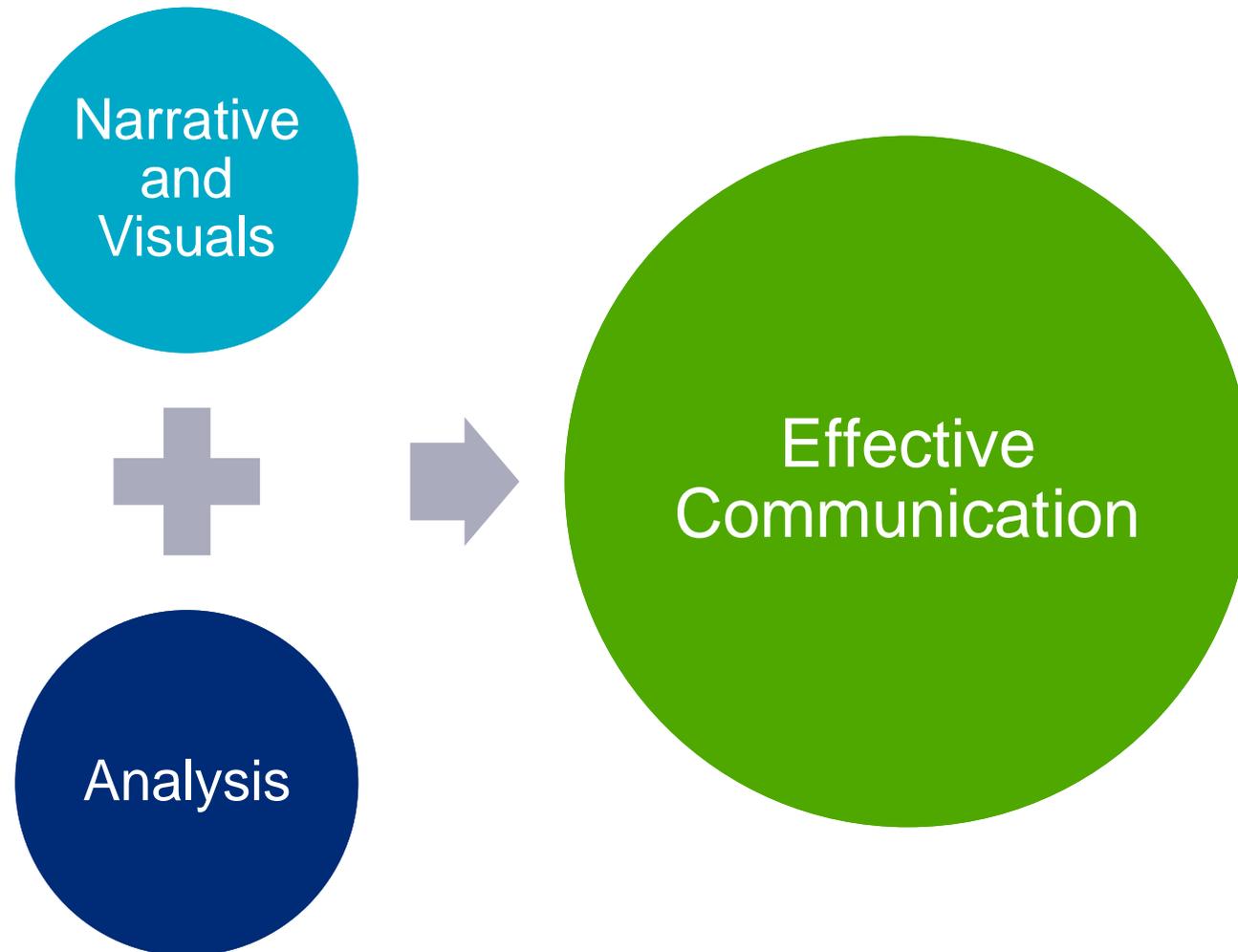
Impressing them with my
amazing abilities …
collecting data, analysing
data, presenting data …

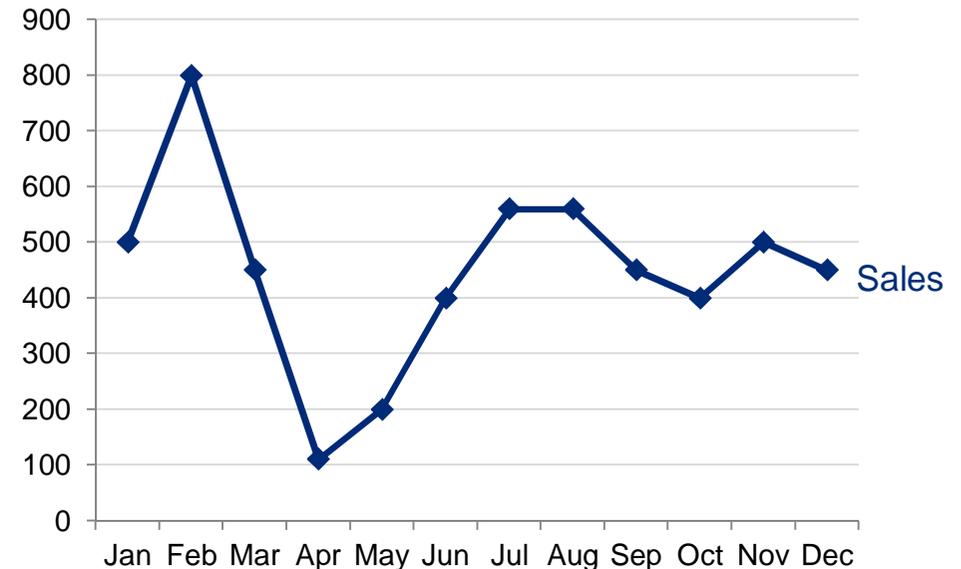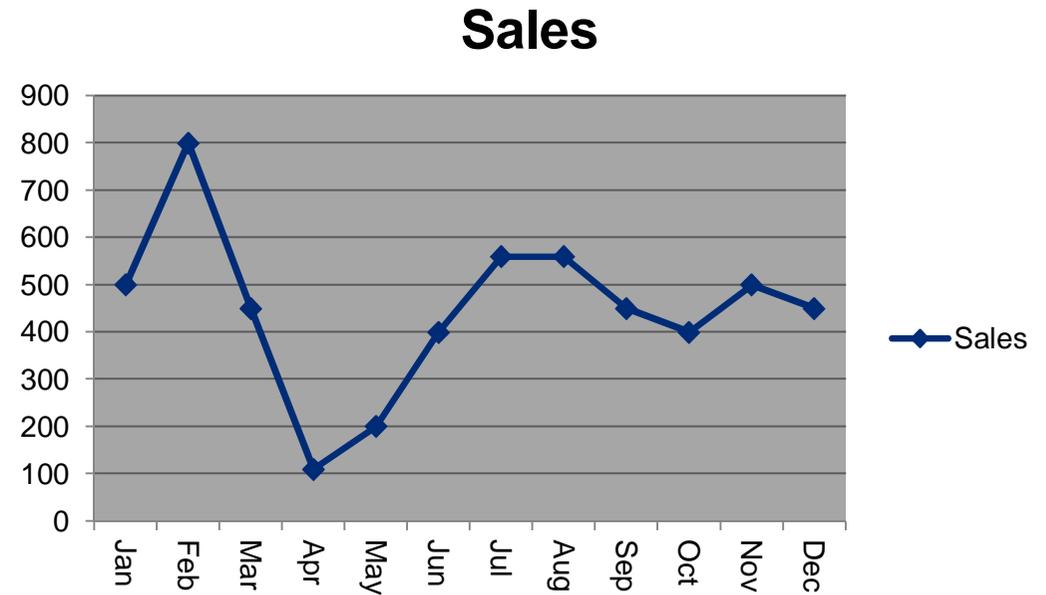"My data, my way" led to a less than enthusiastic response.

DATA VISUALISATION
EIGHT KEY TIPS

1 Know and understand your end user.

2 Be clear on user appetite and aptitude for data.

3 Maximise contrast and use readable labels.

4 Avoid repetition.

Sales

DATA VISUALISATION
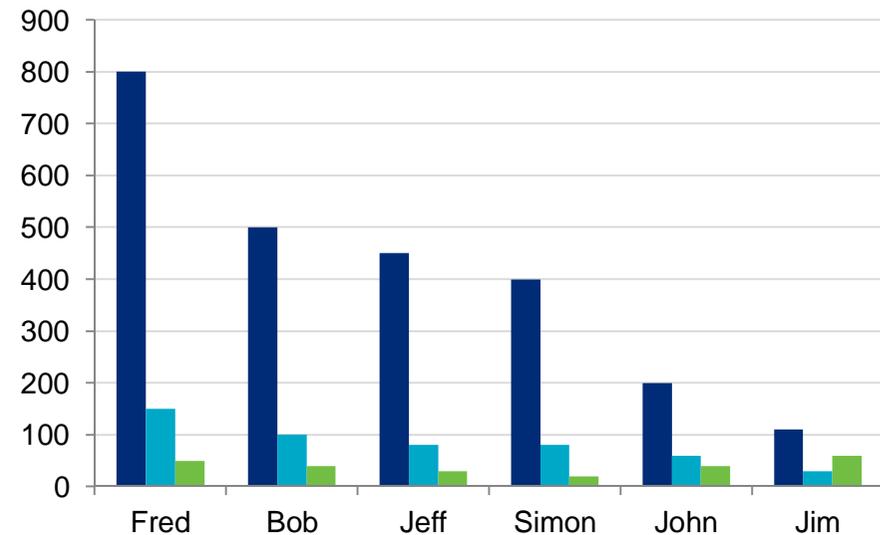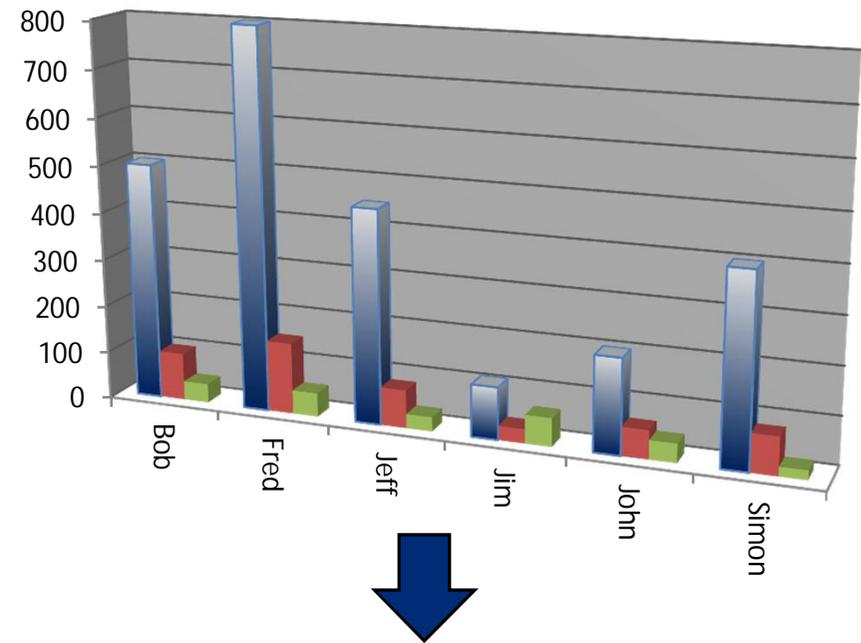# EIGHT KEY TIPS
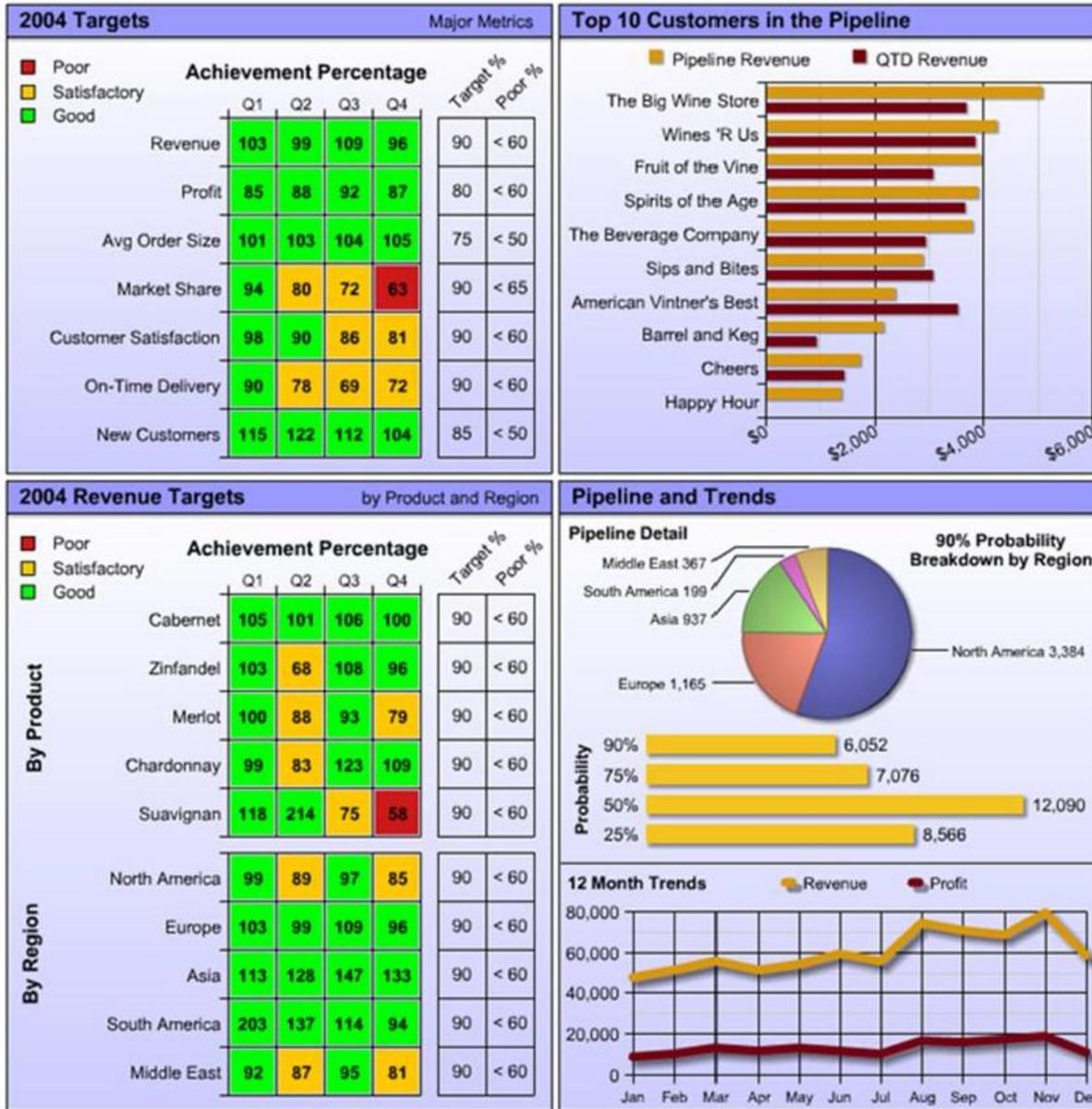
5 Avoid smoothing and 3D.

6 Use gradients carefully.

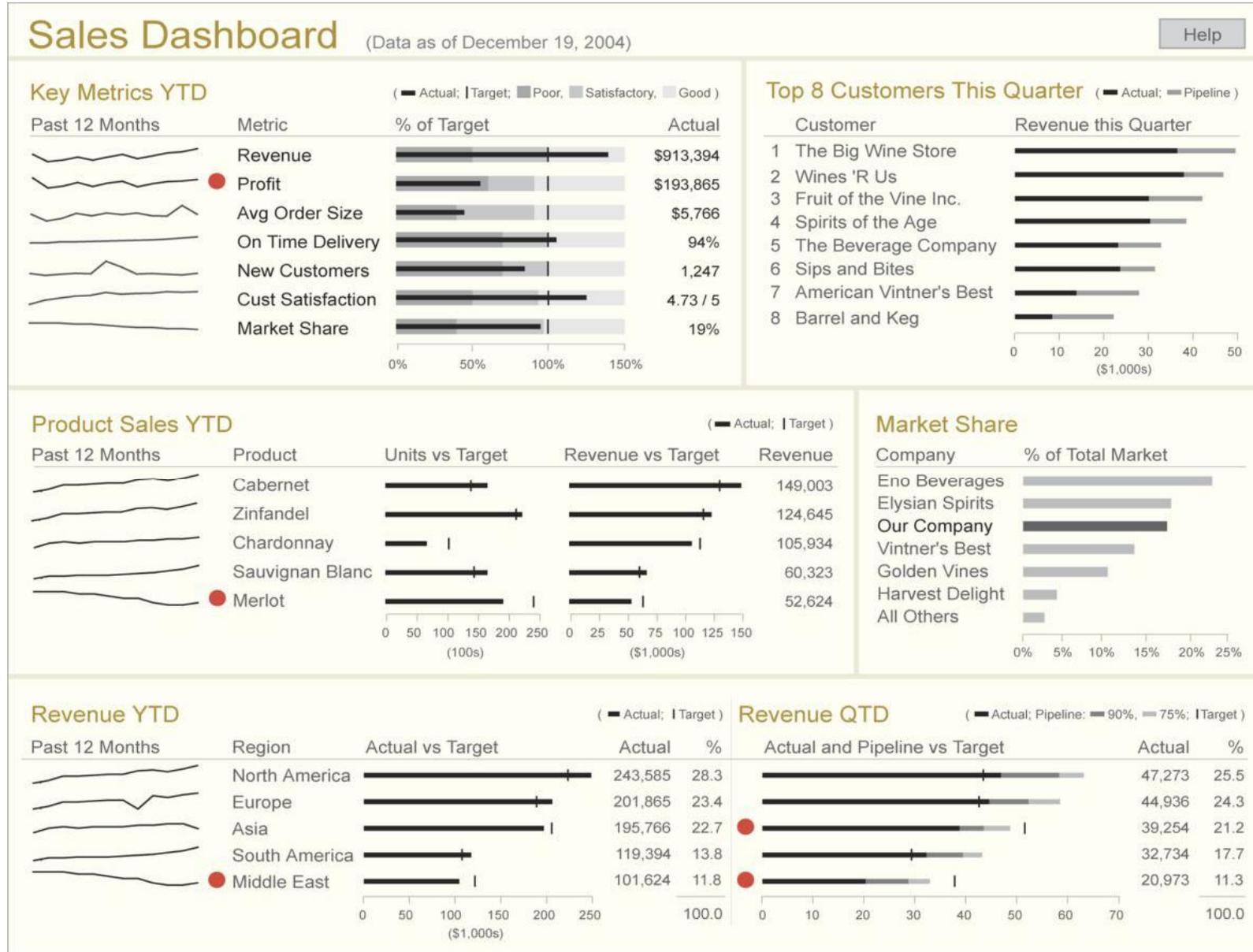**7** Sort for comprehension.

8 Use colour variants for clarity.

EXAMPLE SALES DASHBOARD

Source: Stephen Few – Dashboard Design

Source: Stephen Few – Dashboard Design

ADVANTAGES AND DISADVANTAGES OF DASHBOARDS

| ADVANTAGES	DISADVANTAGES
You can relatively easily produce the dashboard and push it out to a wide audience	The dashboard is rarely customised for the specific user, and so relies on the user interpreting the data themselves to get to the insights behind the data
Easy to repeat with the same format / visualisation	Typically dashboards are full of generic information – not targeted to a specific question/issue
	Tempting to fill the white space!
	Different users want to see different bits of data, so a single dashboard can quickly become cluttered with non-related information and so is hard to read

The Workforce Map is a picture that describes key dynamics related to the flow of people into, through and out of an organisation over time, to help answer key questions.

Do we buy or build talent?

Do we have sufficient movement of people?

Where are our career bottlenecks?

Are there focal points of entry and exit?
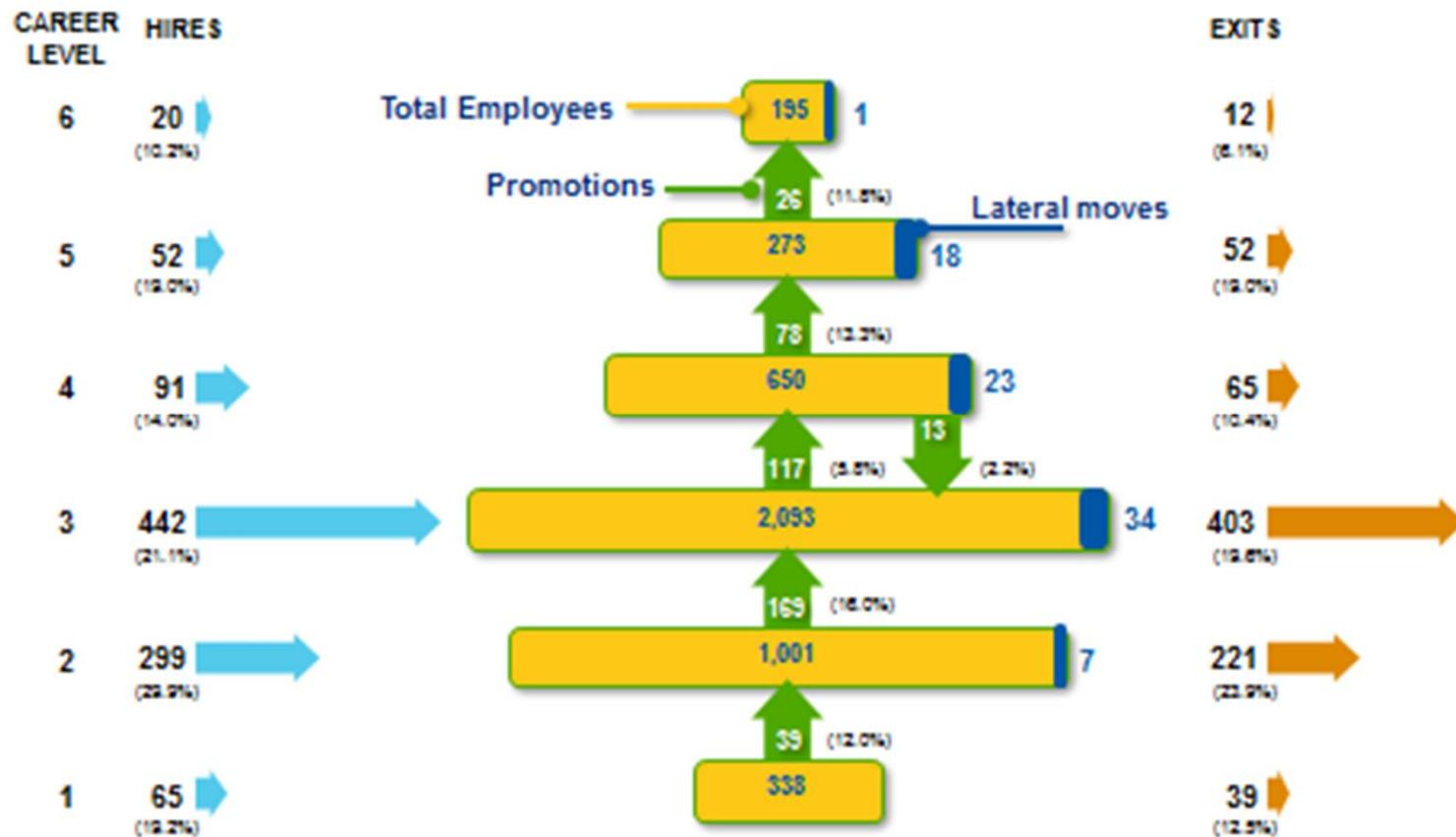
UNDERSTANDING THE WORKFORCE
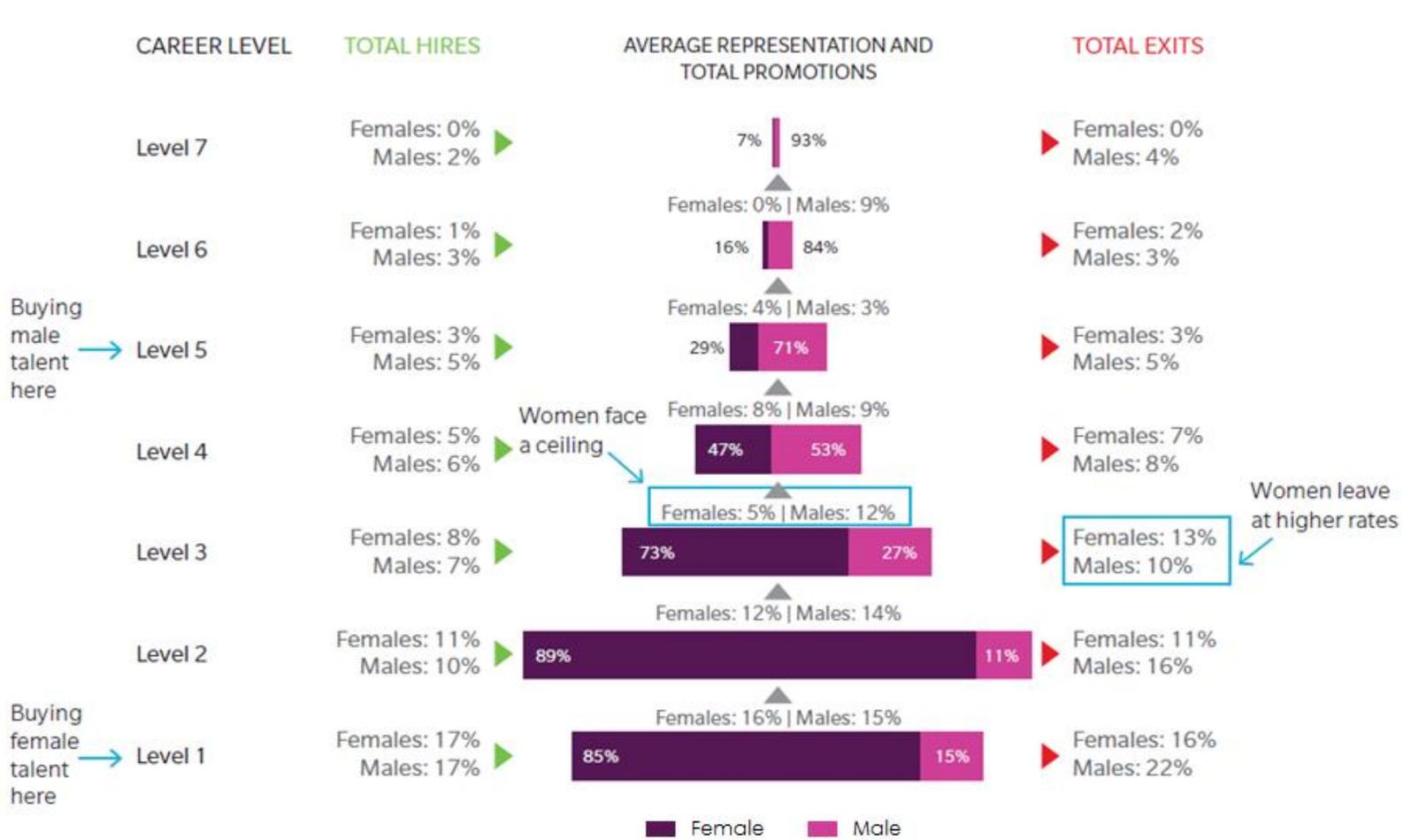# BI-PARTITE WORKFORCE MAP

The solution enables organisations to create Workforce Maps by a worker segment (such as gender) organisations can use the same analysis to explore specific issues relating to this particular group

Do we buy or build female talent?

Do we have sufficient movement of females?

Where are our career bottlenecks for females?

Are there focal points of entry and exit for females?

Buying male talent here

Buying female talent here

	CAREER LEVEL	TOTAL HIRES	AVERAGE REPRESENTATION AND TOTAL PROMOTIONS	TOTAL EXITS
	Level 7	Females: 0% Males: 2%	7% 93%	Females: 0% Males: 4%
			Females: 0% | Males: 9%	
	Level 6	Females: 1% Males: 3%	16% 84%	Females: 2% Males: 3%
			Females: 4% | Males: 3%	
	Level 5	Females: 3% Males: 5%	29% 71%	Females: 3% Males: 5%
			Females: 8% | Males: 9%	
	Level 4	Females: 5% Males: 6%	47% 53%	Females: 7% Males: 8%
			Females: 5% | Males: 12%	
	Level 3	Females: 8% Males: 7%	73% 27%	Females: 13% Males: 10%
			Females: 12% | Males: 14%	
	Level 2	Females: 11% Males: 10%	89% 11%	Females: 11% Males: 16%
			Females: 16% | Males: 15%	
	Level 1	Females: 17% Males: 17%	85% 15%	Females: 16% Males: 22%

Women face a ceiling

Women leave at higher rates

■ Female ■ Male

SUMMARY AND CLOSE

THANK YOU!
GETTING STARTED WITH WORKFORCE ANALYTICS: HOW TO MOVE FROM *I THINK TO I KNOW*

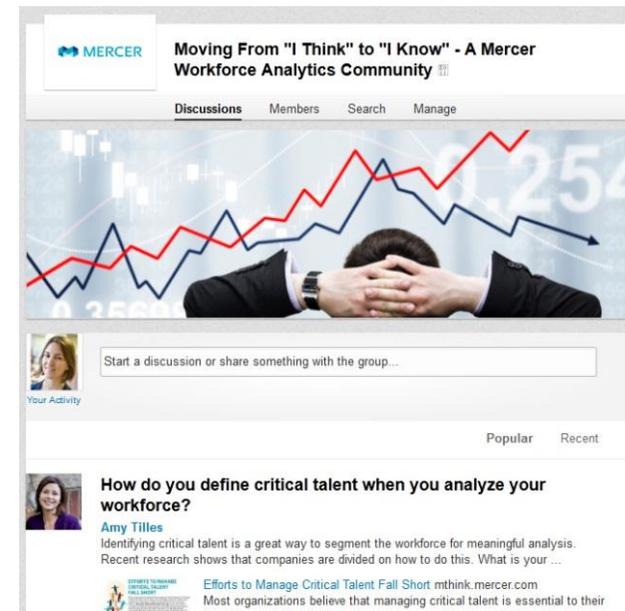**HAVE FOCUS**

CREATE A DATA STRATEGY

CREATE A FUNCTION

END USER PLAN

PRESENT THE ANALYSIS

REMEMBER TO:

- Join our LinkedIn site: Moving From "I Think" to "I Know" A Mercer Workforce Analytics Community

- Connect with us on LinkedIn.

- Stay in contact!

Q & A

MAKE
TOMORROW,
TODAY

MERCER