


MERCER WEBCAST

WORKFORCE METRICS AND ANALYTICS WHY IS THIS STUFF SO HARD? FIVE EASY STEPS

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Agenda

- Introductions
- Workforce Metrics and Analytics
 - Why is This Stuff Important?
 - Why is It So Hard?
- Five Easy Steps
- Closing Thoughts
- Q&A



WORKFORCE METRICS AND ANALYTICS: Why is this stuff important, and why is it so hard?



Workforce Economics: Think Like an Investor



Invest

With evidence-based decisions

Facts + Evidence =
Effective Investment Decisions

And reap the returns....

Why Is It Important?

Strategic

“Making analytics and fact-based decisions is a key element of strategy and competition in HR and elsewhere.”

Tom Davenport, Competing on Analytics (2007)

Competitive Advantage

“Leading-edge companies are increasingly adopting sophisticated methods of analyzing employee data to enhance their competitive advantage.”

Tom Davenport, Jeanne Harris & Jeremy Shapiro, Competing on Talent Analytics (2010)

Financial

“Companies fill their annual reports with information about how they use capital but fail to reflect on their use of the “thinking intensive” people who increasingly drive wealth creation in today’s digital economy.”

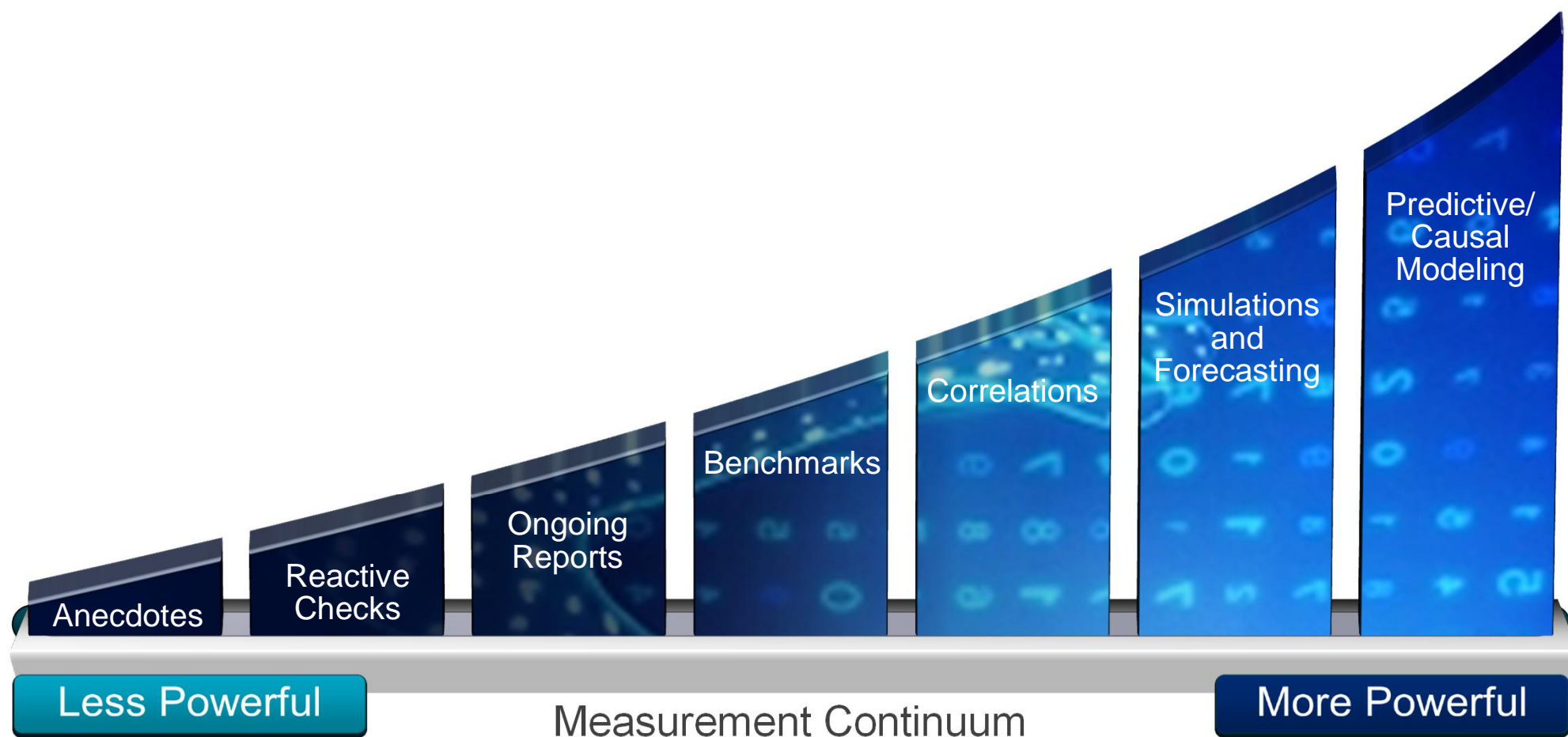
The New Metrics of Corporate Performance: Profit per Employee, The McKinsey Quarterly (2007)

Companies using business intelligence and workforce analytics tools obtained many significant benefits, including:

- 14% year-over-year improvement in revenue per employee (compared to 5% for those that don’t)
- 20% decrease in unnecessary overtime payments.
- A doubling in measured customer satisfaction.
- 13% increase in workforce utilization.

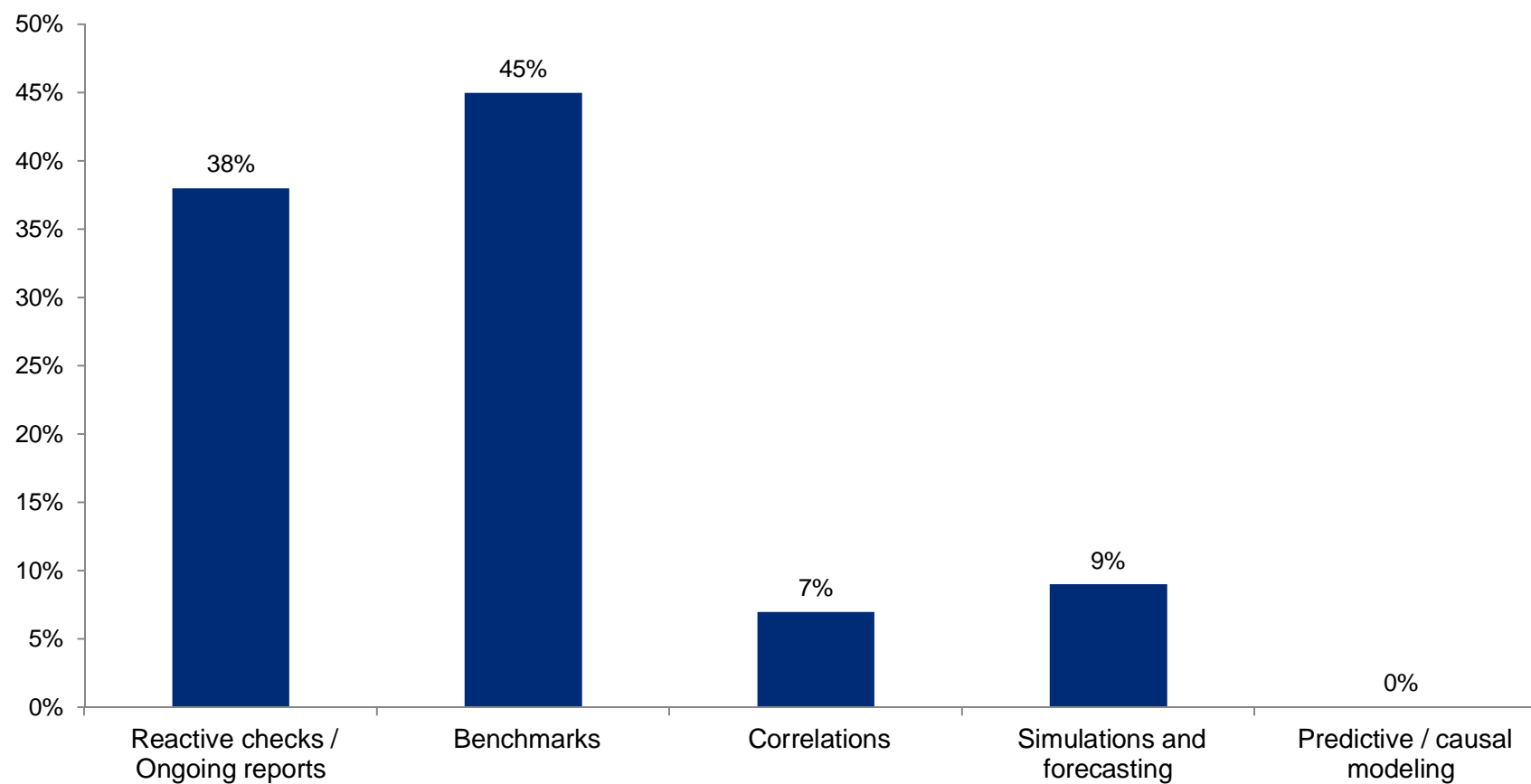
Source: Aberdeen Group, Workforce Analytics: Key to Aligning People to Business Strategy

Deeper Analytics Help Us Move from “I think” to “I know”



Polling question and results

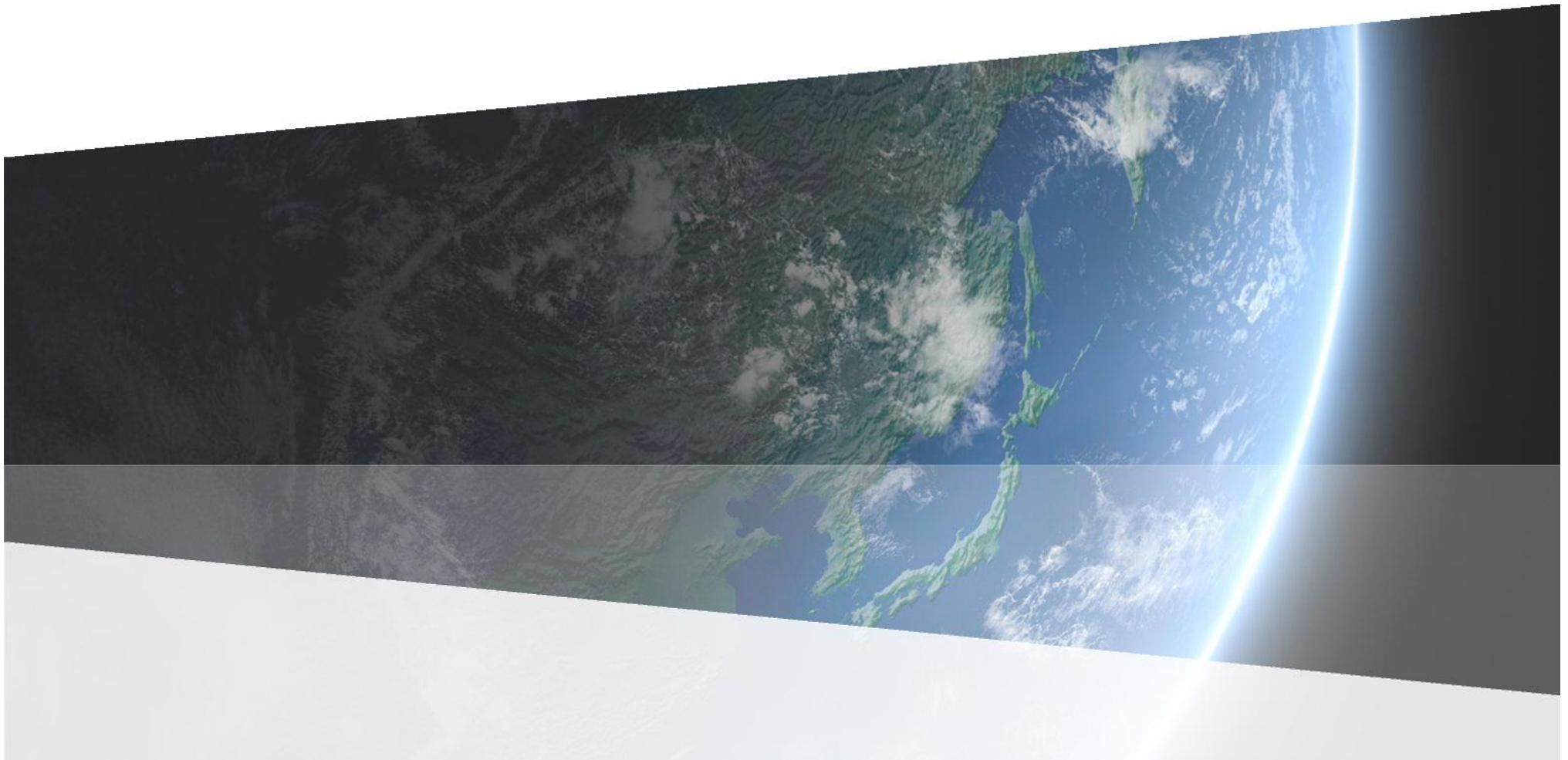
Where is your organization on the measurement continuum?



Two Categories of Human Capital Measurement

	FOUNDATIONAL	ADVANCED
	Dashboards for monitoring	Deep dive analytics
Output	Counts, rates, and tabulations	Proven inferences about cause-and-effect relationships
Information	<p>WHAT is happening:</p> <ul style="list-style-type: none"> ▪ What is our turnover rate? ▪ How many promotions did we make? ▪ What are our spans of control? 	<p>WHY and WHERE it is happening:</p> <ul style="list-style-type: none"> ▪ Why do people quit? ▪ Do lateral moves make employees promotable? ▪ What experiences drive employee engagement?
Uses	<ul style="list-style-type: none"> ▪ Reporting (internal and external) ▪ Tracking progress toward goals ▪ Monitoring trends 	<ul style="list-style-type: none"> ▪ Strategy making ▪ Forecasting ▪ Problem solving
Tools	Business intelligence tools	Statistical modeling techniques

FIVE EASY STEPS



Five Easy Steps

#1 Start with impact in mind

#2 Don't silo your thinking

#3 Avoid data smog

#4 Beware of the shiny new toy

#5 Make it stick

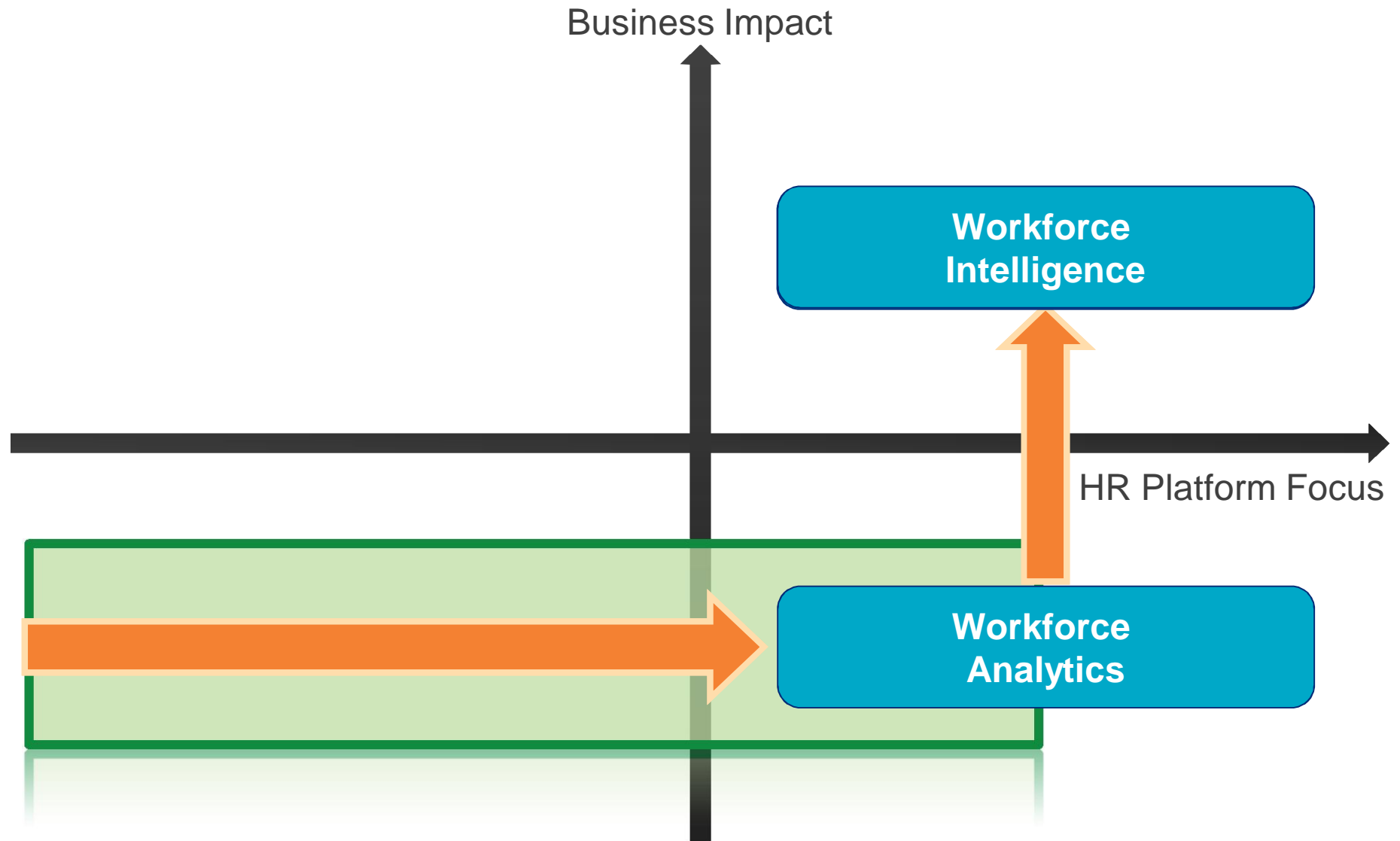
Five Easy Steps

#1 Start with impact in mind

Workforce Analytics: The Way We Currently Think



Start with the Business Impact



Leverage Your Existing Metrics and Analytics

KEY POINT

The metrics and analytics are only as good as the question that generated them

Change Your Thinking: Workforce Intelligence



Get the Mindset of Your Senior Leaders

Questions to uncover the people issues

1. What do you believe are the biggest people challenges created by the company's business strategy?

For example, attracting the right people, retaining people, developing them, managing individual performance, cutting people costs, etc.?

2. What talent groups or categories will be critically important to achieving your strategic goals?

What new kinds of talent will be needed? What kinds of talent are you concerned will be the most difficult to obtain or develop? Why?

3. Would you say that your talent acquisition (or workforce development) strategy is characterized by a "build" or "buy" strategy?

In looking toward the future, how should this strategy change?

4. Which skills/talent groups can be developed internally? Which need to be "bought" from the outside?

5. Do you anticipate any major changes in technology or other innovations that will affect how people do their jobs?

6. Has "the deal" between the company and its employees changed?

If so, how? ("The deal" includes but is not limited to job/economic security, promises of the future, total rewards, work environment, etc.)

Five Easy Steps

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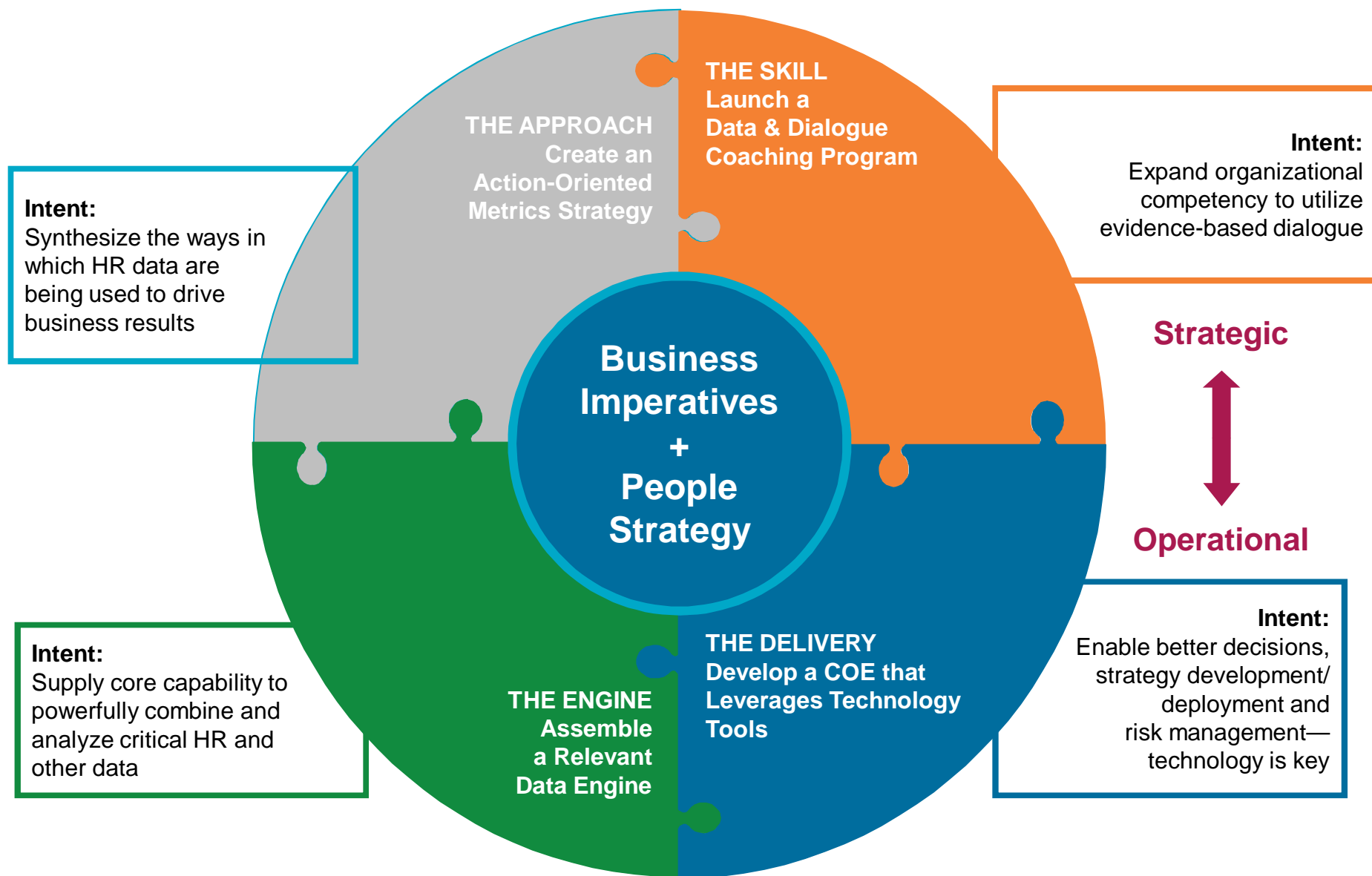
#2 Don't silo your thinking

Desired Impact

**Focus on Desired Impact for
YOUR Organization**



Workforce Intelligence—An Integrated Model



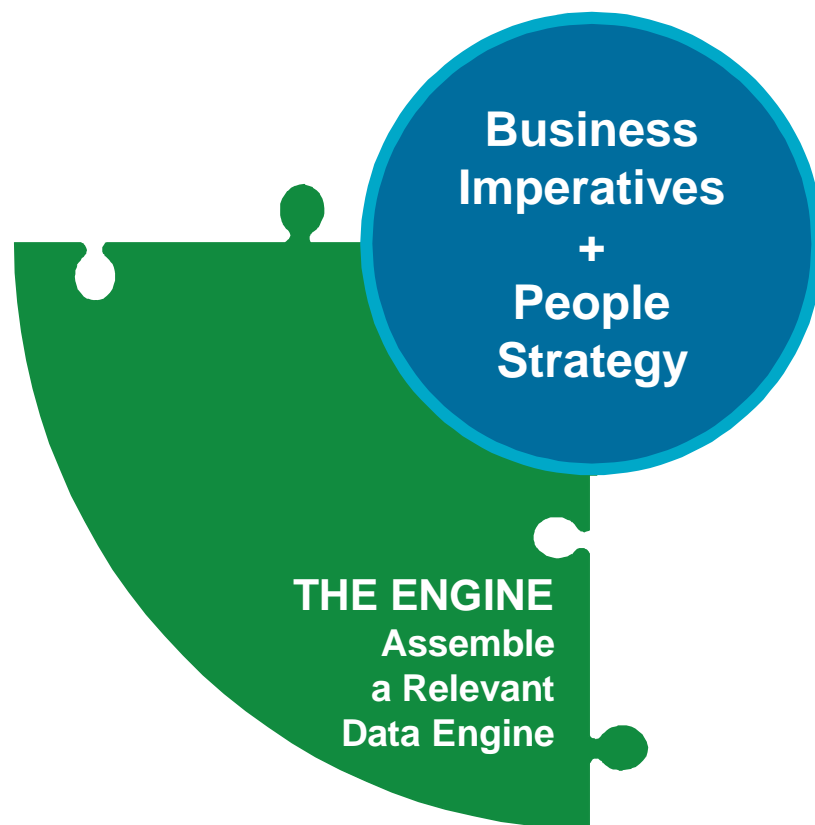
Five Easy Steps

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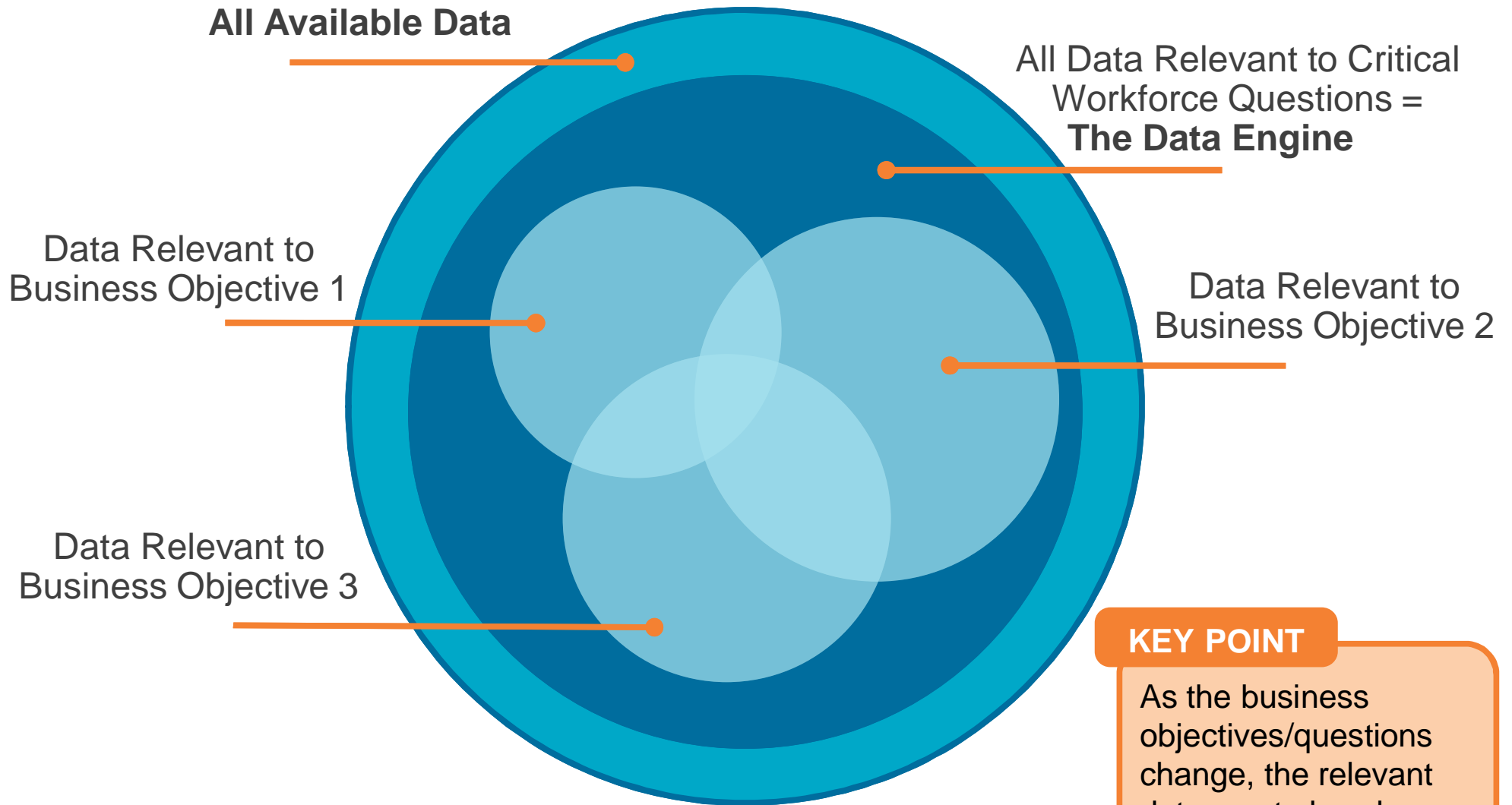
#2 Don't silo your thinking

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Building a Relevant Data Engine



Data Engine Defined

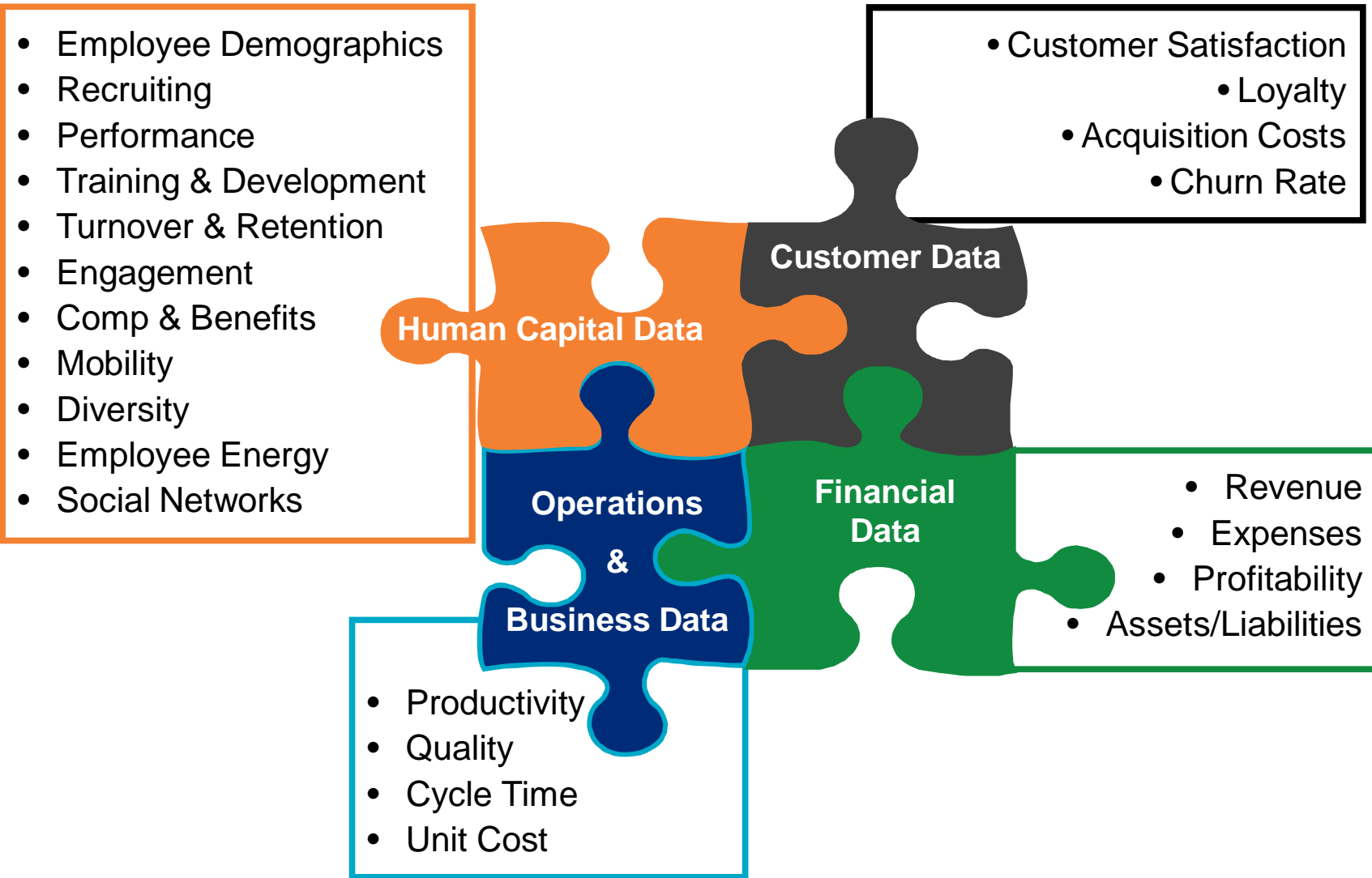


KEY POINT

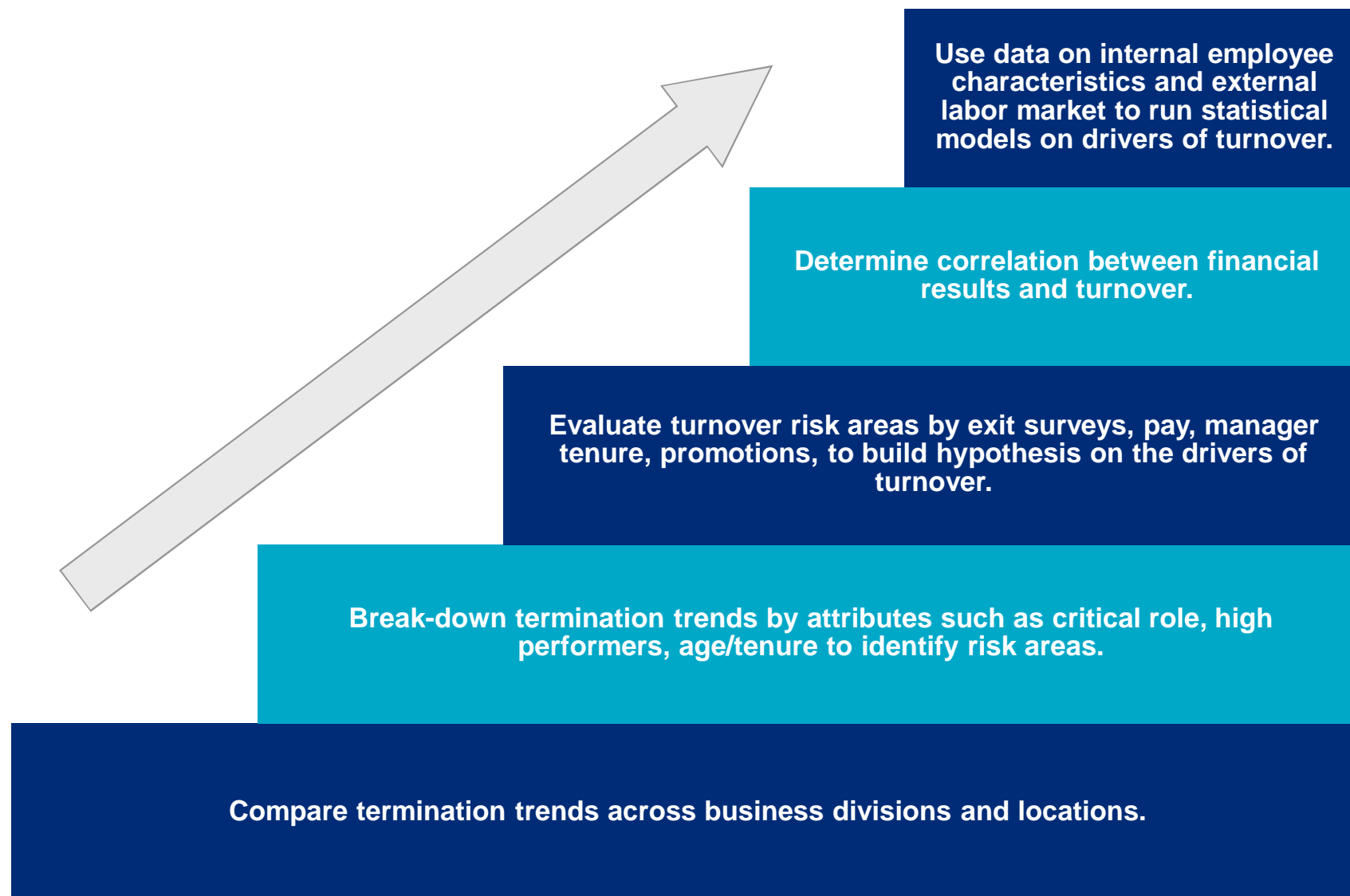
As the business objectives/questions change, the relevant data must also change.

Assembling a Data Engine

The power of combined data sources—actionable insights



... But It is Ok to Build Your Data Engine in Stages



Best Practices for Assembling a Relevant Data Engine

Facilitate data-driven decision making



THE ENGINE
Assemble a
Relevant
Data Engine

- ☑ Evaluate readiness *before* assembling your engine

Readiness dictates *what* goes in the data engine, *how* it is deployed (Technology), and *who* receives what levels of data (Skill)

- ☑ Explain your criteria for including data

Disclaim any issues

- ☑ Start small, build gradually, derive value as you go

Even simple data can generate impact; start with what you have

- ☑ Don't strive for perfection, just transparency

Disclose the data source and any processes it's undergone

- ☑ Continually tune your engine

Revisit your data engine to ensure it's still relevant to business imperatives

- ☑ Employ scalable technology to accelerate sharing and adoption

Five Easy Steps

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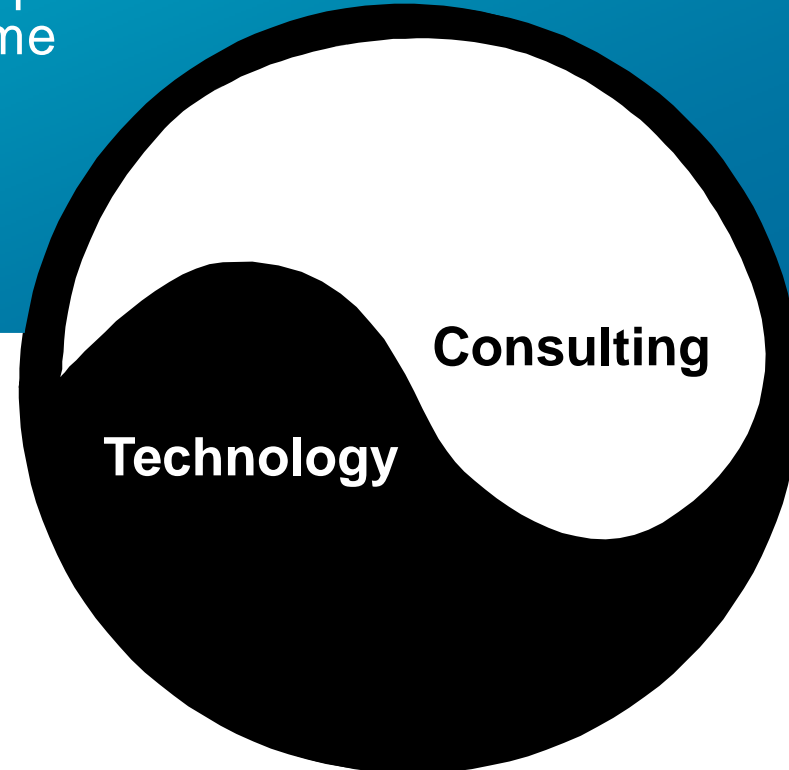
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#3 Avoid data smog

#4 Beware of the shiny new toy

It's Not JUST About Technology

- Technology and data integrity is only half of the solution
- Organizations should spend at least the same amount of time considering change management, communication and understanding insights



Match Your Story to the Audience



DATA PEOPLE



DIALOGUE PEOPLE

Good stories come from all levels of data

Five Easy Steps

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#5 Make it stick

Deliver Data and Insights In the “Right Way”

Your Performance


**Educate,
Engage
and Coach**



**Tell The
Right Story**



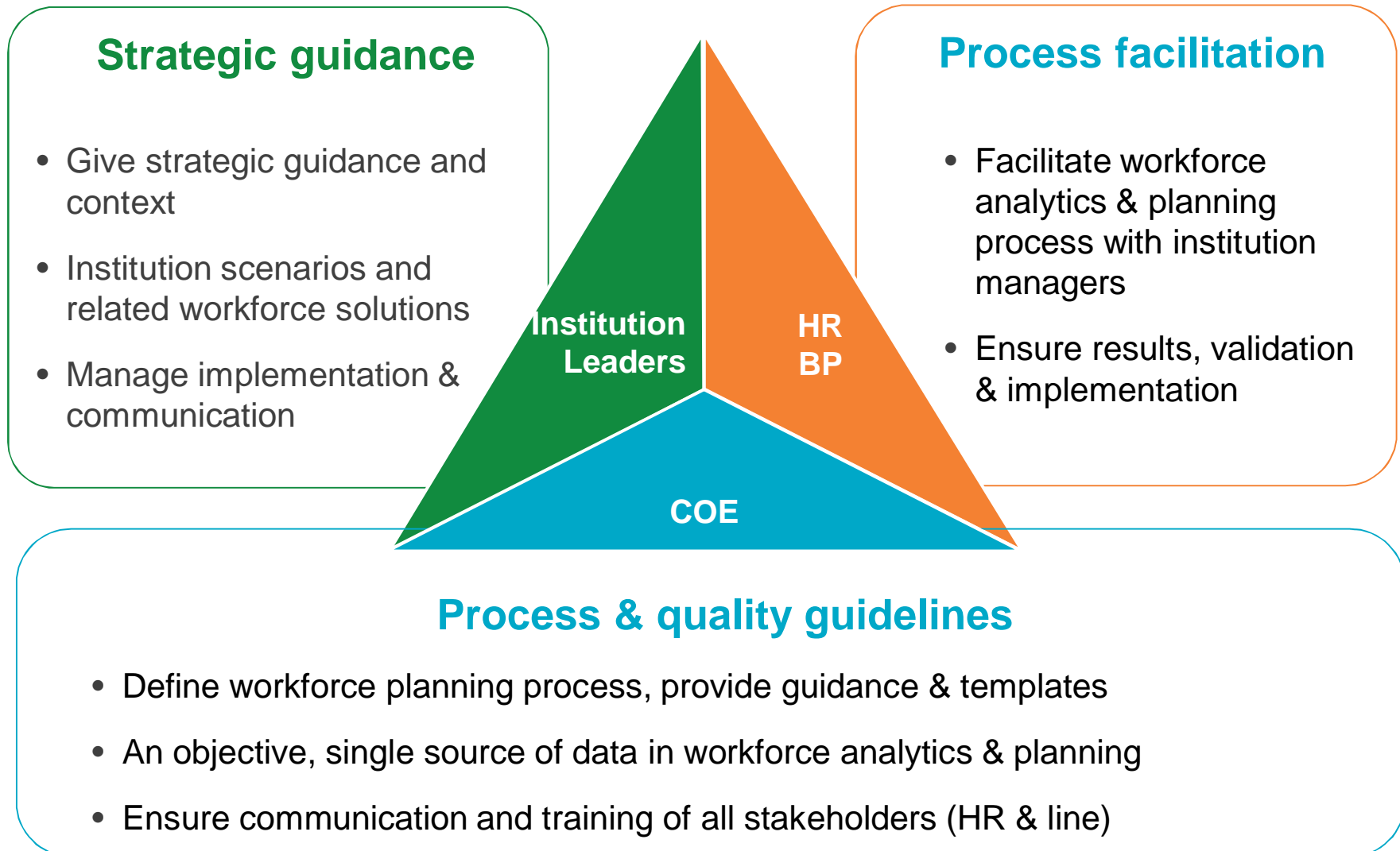
**Evaluate
Measures**



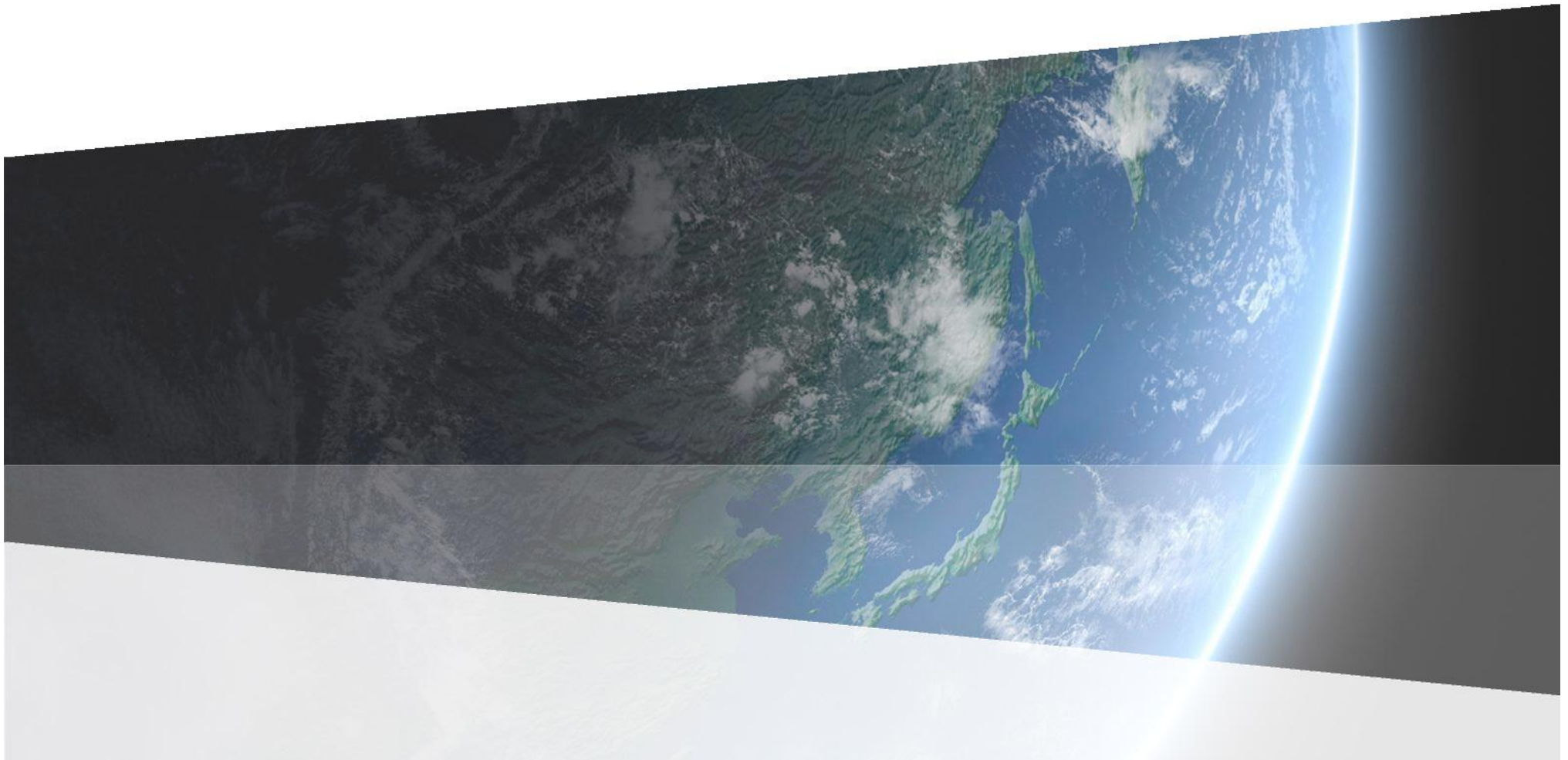
**Generate
New
Insights**



Center Of Expertise: Owned by the institution, driven and facilitated by HR



CLOSING THOUGHTS



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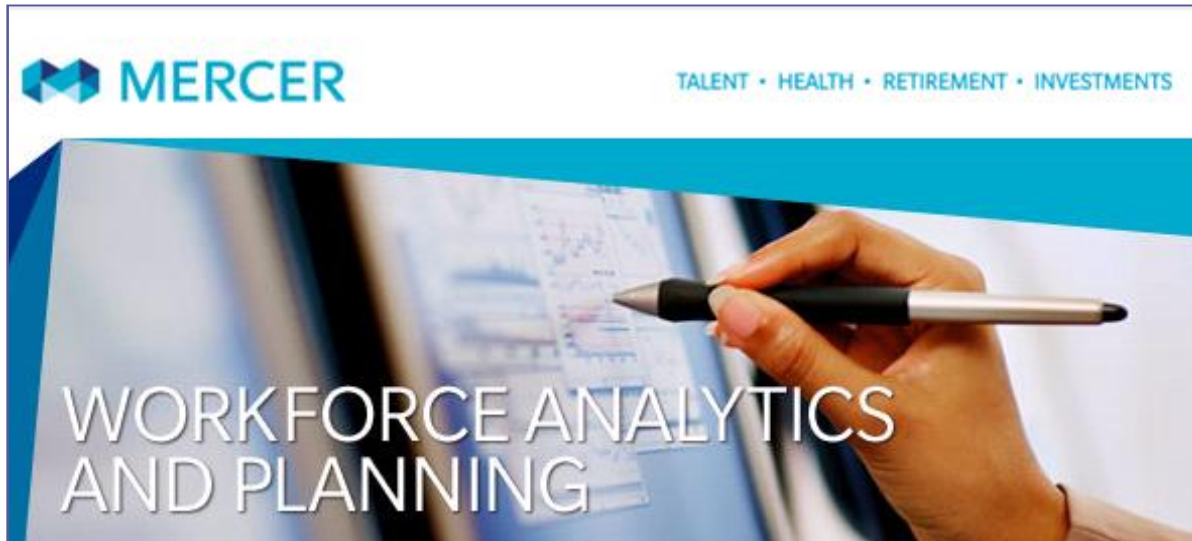
Pitfalls for a Workforce Analytics and Planning COE

You're in trouble if you don't...

Process	Technology
<ul style="list-style-type: none">• Prioritize work so that day-to-day queries don't drive out longer-term strategic activities• Ensure the right amount of emphasis is placed on both sophisticated analysis and on joining multiple data• Eliminate data credibility concerns• Ensure that the business owns its workforce planning efforts	<ul style="list-style-type: none">• Develop systems and tools to managed data from multiple countries• Ensure HR can access all required data• Ensure data integrity throughout all systems• Develop systems and tools with a full understanding all business requirements
Talent	Organization
<ul style="list-style-type: none">• Ensure that expertise resides in more than one or two experts• Get people comfortable talking about HR in terms of testing and evidence• Ensure HR has the skills to select data and perform analyses• Provide training to potential data users to ensure they have the knowledge required to interpret the information and insights provided by the COE	<ul style="list-style-type: none">• Ensure the function is adequately staffed• Leverage change management strategies to minimize wariness to adopt an evidence-based culture that can permeate from executives down to employees• Provide incentives for sharing data across functions

What's coming up next

Workforce analytics and planning webcast series



Telling the story with data: Gaining senior-level support for analytics and planning
September 24, 2:00 PM – 3:00 PM

www.mercer.com/webcasts/telling-the-story-with-data

Predictive analytics: How the power of analytics can help drive business success
November 6, 2:00 PM-3:00 PM

www.mercer.com/webcasts/predictive-analytics

What's coming up next

Workforce analytics and planning workshop series



**WORKFORCE METRICS AND ANALYTICS:
Driving Business Results with Data**
September 13, 2013



**STRATEGIC WORKFORCE PLANNING:
Defining and Fulfilling Business Requirements**
October 30, 2013

For more details, visit www.mercer.com/analytics-and-planning-workshops-amea

Questions?



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