



People Analytics: *Driving Business Success*

Understanding the key drivers of people and organisational performance



How will you take it to the next level?



Let's Get Started ...

- Welcome

- Our panel members

Prof. Wayne Cascio, University of Colorado

Thomas Waterhouse, HR COO, Pictet Bank

Prof. Bill Fischer, IMD

Antonio Vegezzi, Board Member Pioneer Investments

- Optimis outlook on People Analytics

- Networking drink

Why People Analytics?

- ▶ **Senior Executives** care about the impact of **People** on **business performance**... and about **FACTS**.
- ▶ Metrics allow **fact-based decision making**
- ▶ Metrics can **change behaviours** when communicated
- ▶ **People costs often constitute 50% to 80% of expenses**, yet only 40% of companies track the impact of HR initiatives, programs and processes on their business

If you can **VISUALISE** it you can **MEASURE** it, and if you can measure it you can **MANAGE** it and **PREDICT** it for continuous **IMPROVEMENT**.

Today, Analytics make the Difference

Top-performing companies are

3x more likely

than low performers to be users of analytics

Source: "Analytics: The New Path to Value", Massachusetts Institute of Technology, October 2010.

The Analytics Journey

10
CELEBRATING
YEARS

"I have **data** about the context in which my organization operates today."

"I understand the key issues driving business performance and the relationship between people and business performance."

What

Building Context

Why

Prediction

Assembling the basic data

Generating comparative metrics

Patterns-Root Cause

Forecasting

Data

Reporting

Reporting data

Metrics

Aggregation
as ratios &
percentages

Advanced
Metrics

Aggregation
& weighting to
generate index
measures

Bench-
marking

External &
Internal
Comparisons

Analytics

Statistical Analysis

- Correlations
- Test of significance
- Analysis of Variance
- Factor Analysis
- Regression

Qualitative analysis
Root-cause analysis

Predictive
Models

Hypothesis Testing

- Structural Equations
- Scenario Modelling

People Analytics: Choices and Challenges

Professor Wayne Cascio

Moderated Discussion (:15)

- Panel reactions and comments
- Audience comments and questions

Presentation (:20)

How Long Is A Piece Of String?

Thomas Waterhouse, HR COO at Pictet Bank

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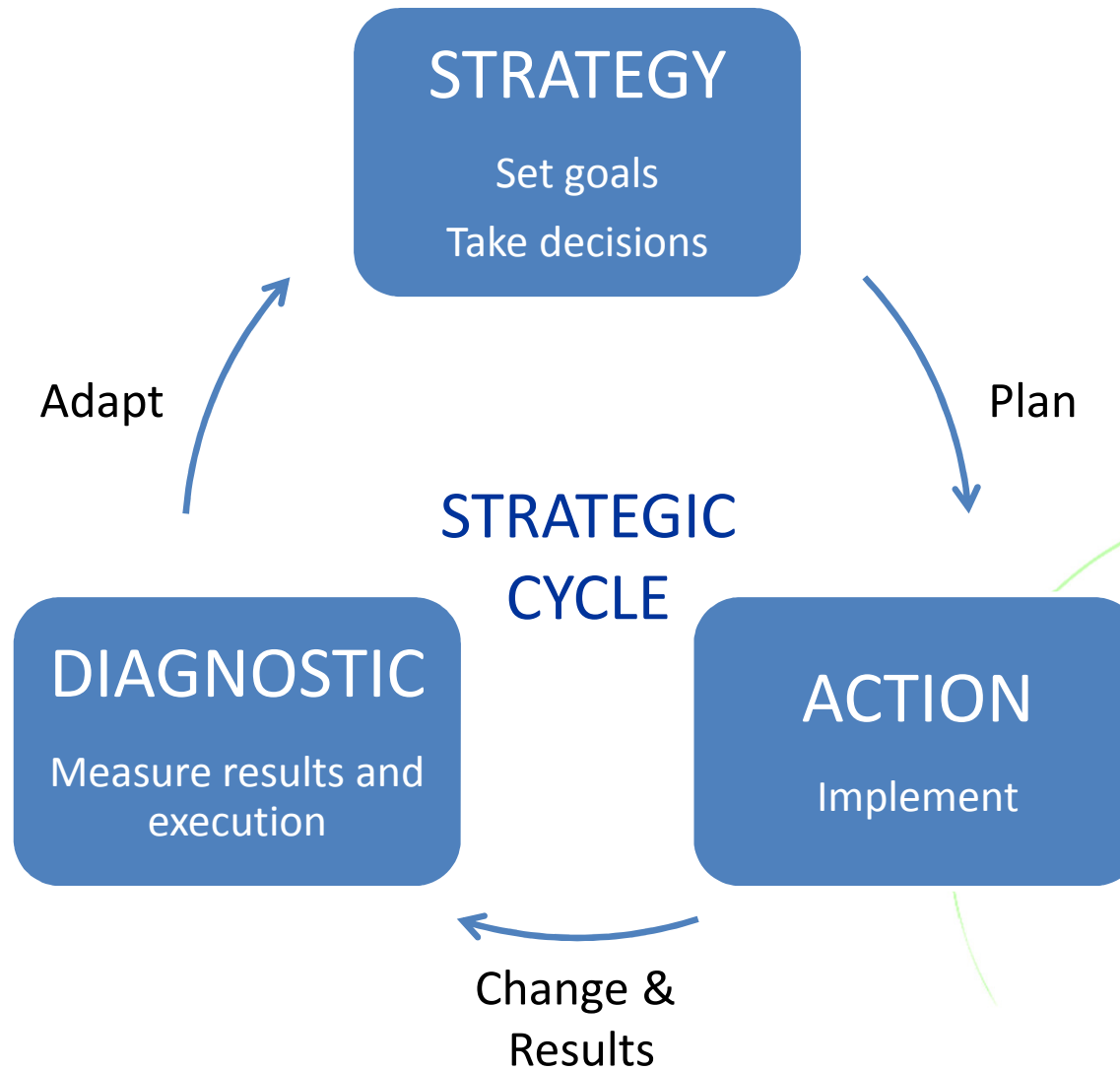
Optimis Outlook on People Analytics (:15)

- ▶ Successful strategic development based on diagnostic
- ▶ Key success factors for People analytics
- ▶ Case study
- ▶ Your challenges and priorities: People Analytics Research

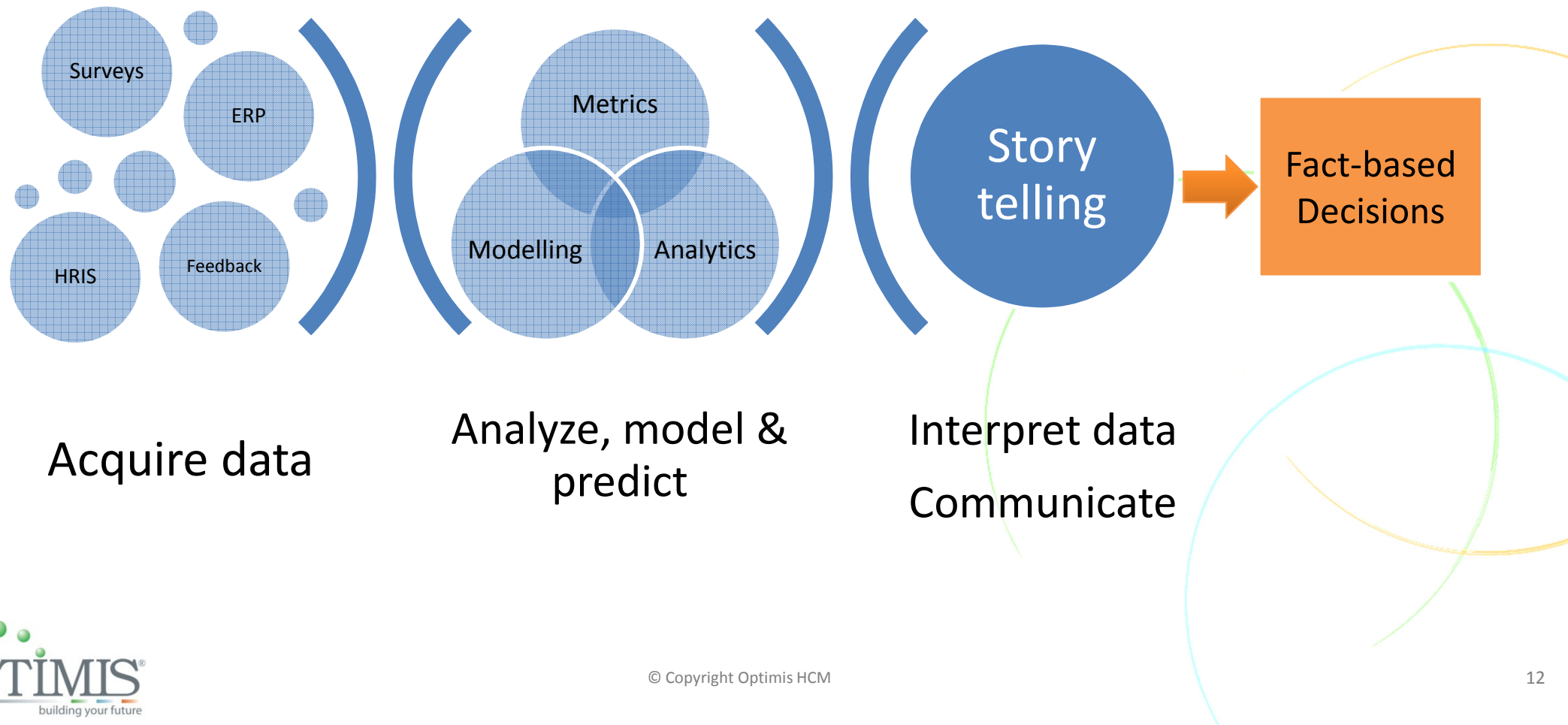
Building your future!

The Strategic Cycle...

Building the Future...



Diagnostic Process – 3 steps



Example: Google move to Data-based People Mgt.

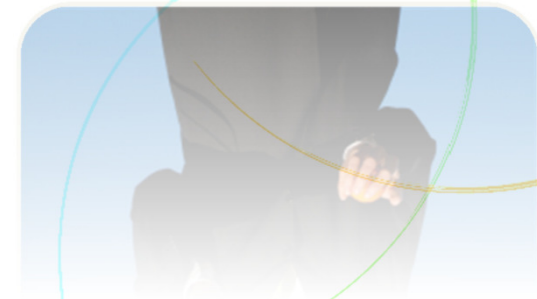
All people decisions at Google
are based on data & analytics!



- Examples:
 - *The PiLab*
 - *The Retention Algorithm*
 - *Workplace design driving Innovation*
 - ...

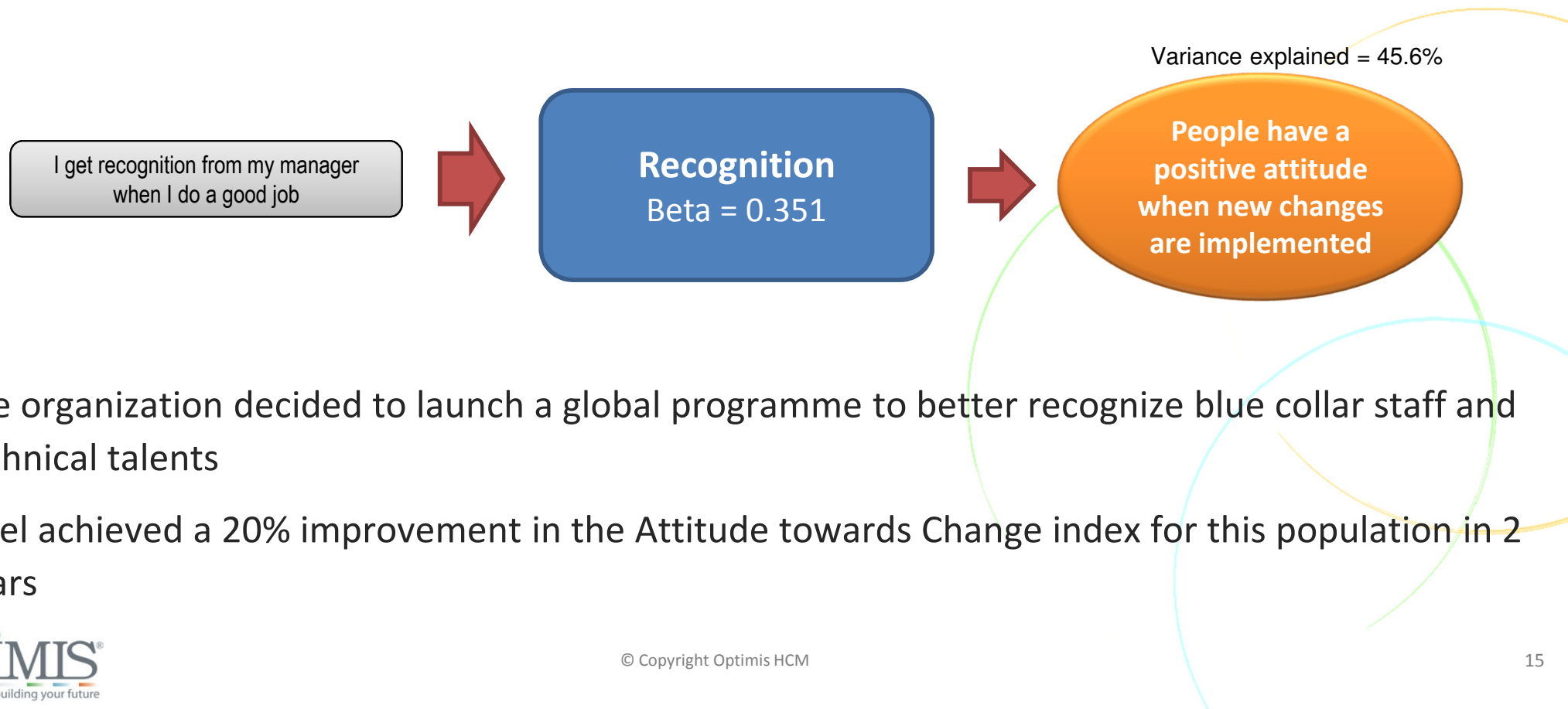
Key Success Factors for People Analytics

1. HR analytics must respond to key strategic questions
2. Metrics and analytics must be segmented by talent groups
3. Include qualitative analysis where ever possible
4. Story telling when distributing analytics to Management
5. Integrate business data in your analysis
6. Integrate people data from multiple sources



Case study – Driver of change at Sidel

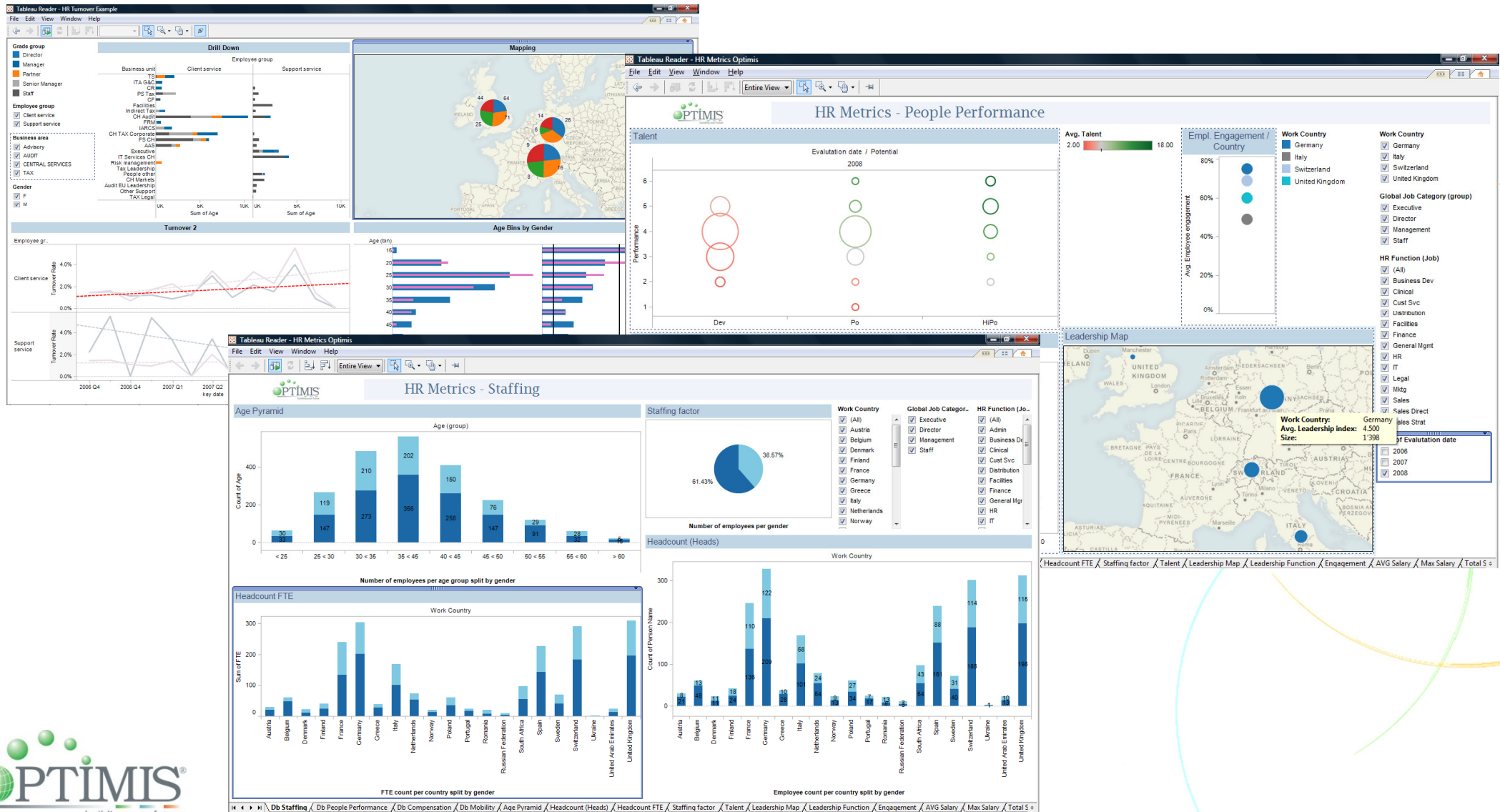
- ▶ Global Employee Engagement survey completed 3 times to track progression
- ▶ One of the key issue was “Attitude towards change” → low morale and motivation in a period of big changes (2008-2012)
- ▶ Recognition was identified, through multi-linear regression analysis, as a strong driver of a positive attitude to change



- ▶ The organization decided to launch a global programme to better recognize blue collar staff and technical talents
- ▶ Sidel achieved a 20% improvement in the Attitude towards Change index for this population in 2 years

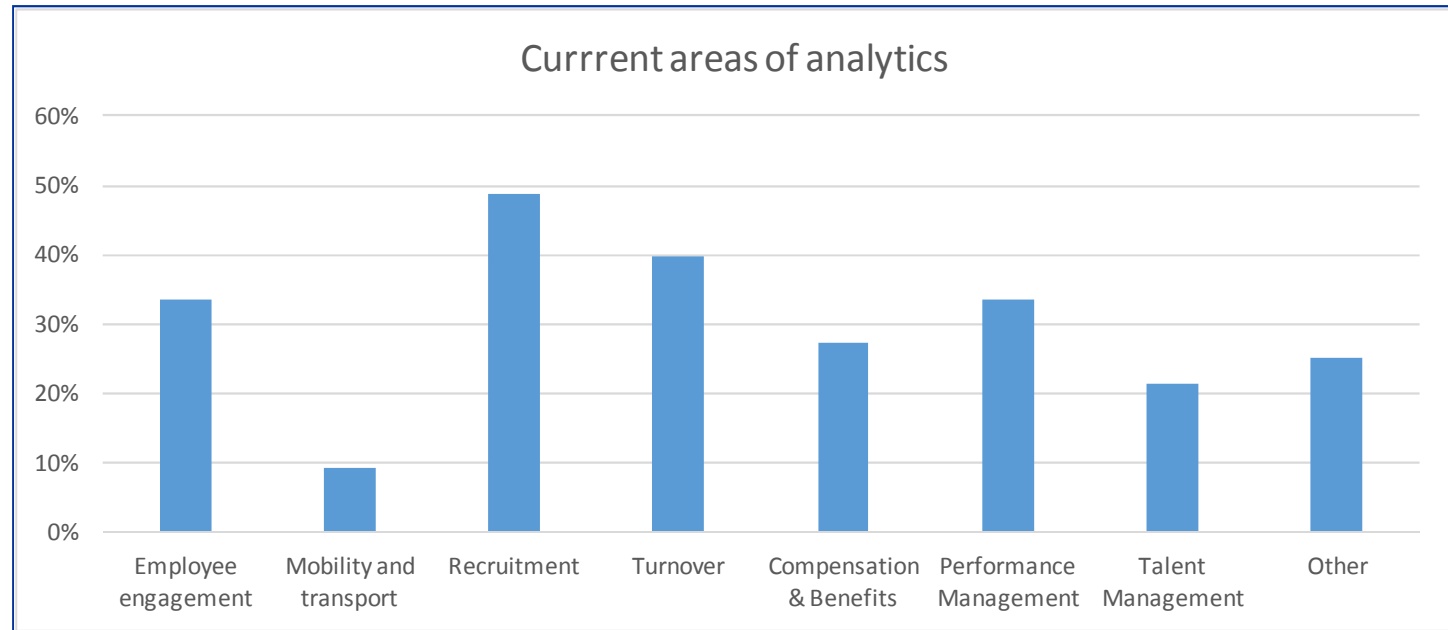
Analytics ... keep focus!

Focused Fact-based People Management



People Analytics Research, Key results

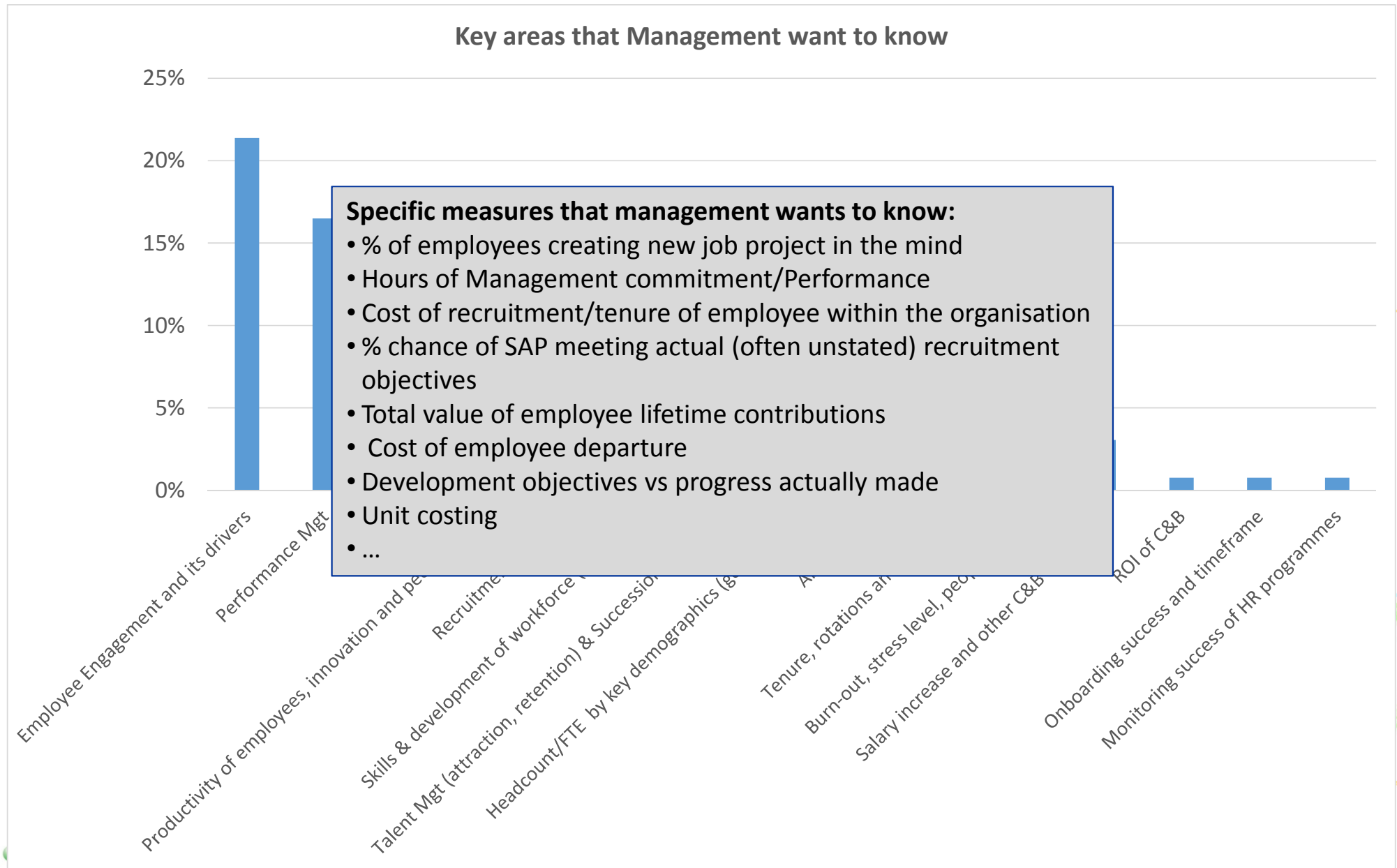
67% of respondents are currently tracking HR related metrics



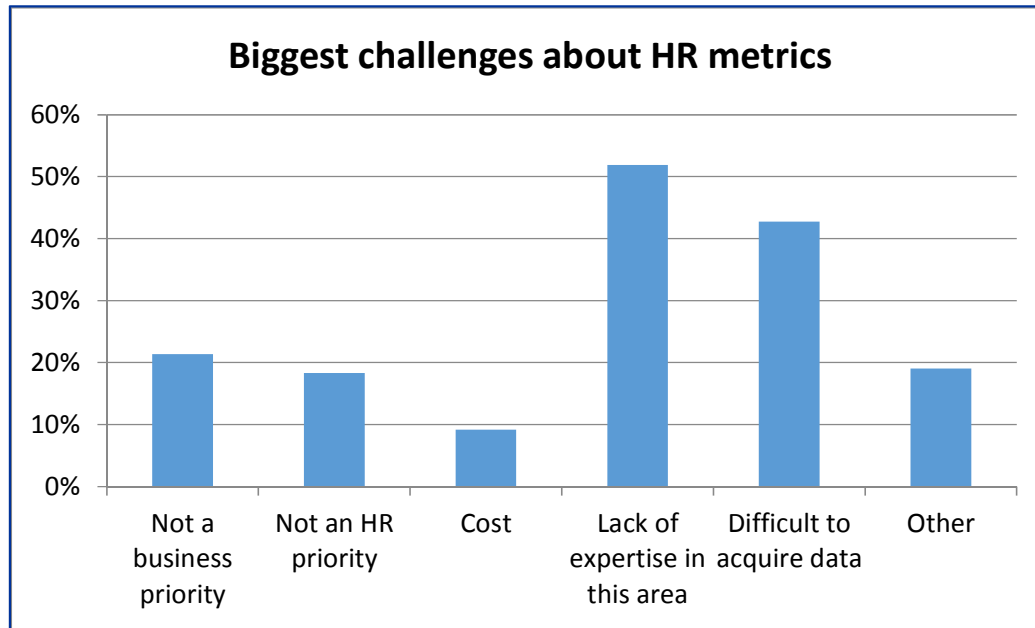
27% of respondents measure the HR initiatives' impact on business

- Improve customer service, efficiency of procedures
- Cost per hire influences sourcing strategies within recruitment
- Cost of internal transfers
- Cost of absenteeism
- Turnover is often the beginning of wider discussions about retention and overall employee motivation.
- Help in the planification of new entitlements/rules in the HR area and monitor progress in application of targets (gender, diversity, etc.)
- Business continuity impact due to recruitment time to hire
- ...

People Analytics Research, Key results



People Analytics Research, Key results



Other challenges mainly include:

- Cultural
- Managing expectations

Conclusions

1. Willingness to link HR value to business results is there, but difficult to achieve mainly due to lack of expertise and lack of data
2. Management is interested in people outcomes (performance, productivity, cost,...), in people readiness (engagement, skills) and in people related programmes performance (recruitment, talent mgt,...)
3. People analytics topic is at the early stages of implementation and there is a need for education and standardization in this area

Moderated Discussion (:15)

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