Workforce Analytics: Challenges and Opportunities

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Opportunities and Challenges

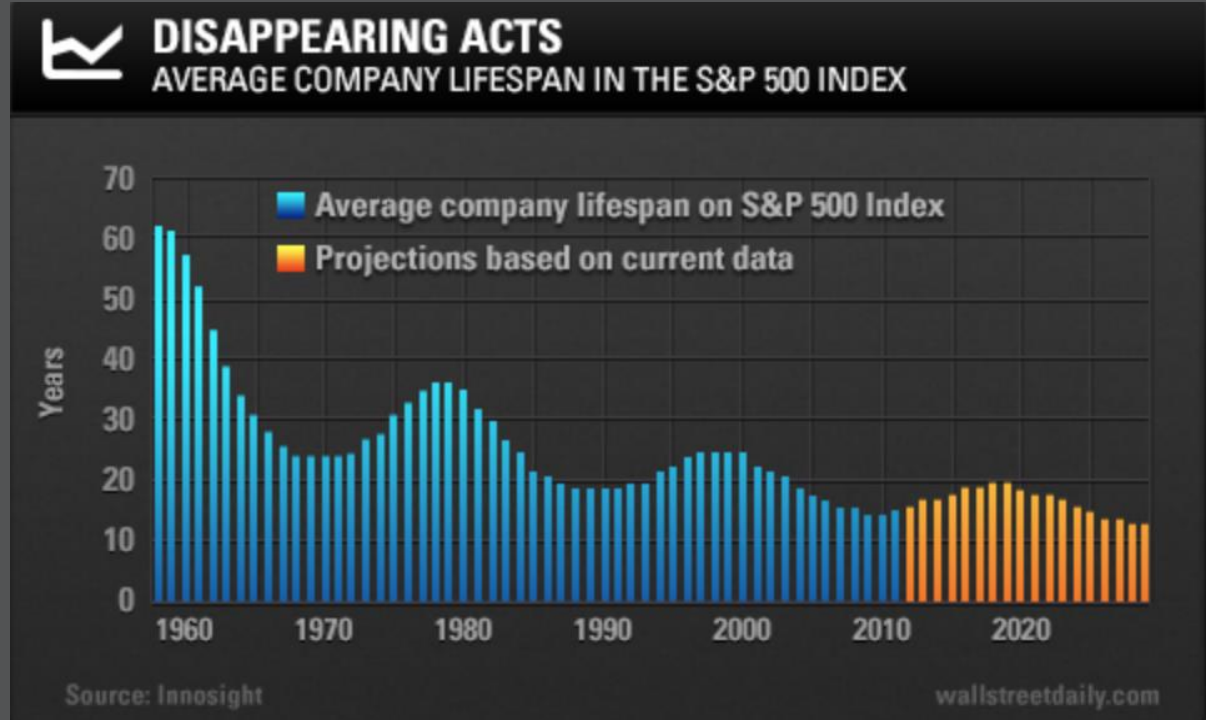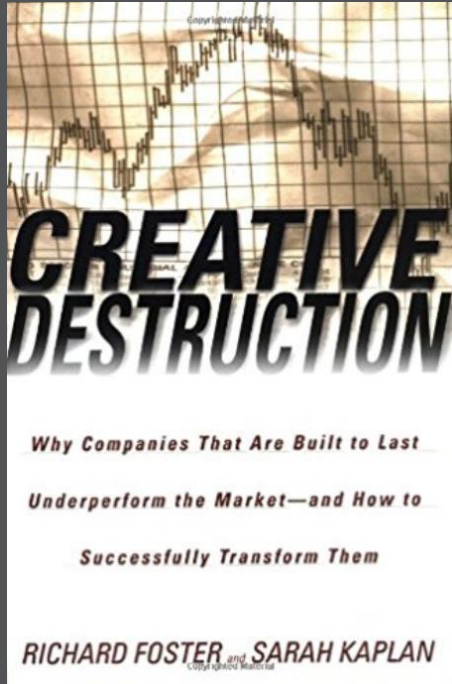**Digital Transformation (Never ends!)**

Political Disruption e.g. Brexit, GDPR

Industry Disruption e.g. Blockchain, cryptocurrencies, platform marketplaces

How do challenges impact firm survival?

Firms can thrive by cultivating the right types of assets

Cultivate assets that are

- **Valuable (V)**
- **Rare (R)**
- **Inimitatble (I)**
- **Non-Substitutable (N)**

Professor Jay Barney

Which assets are VRIN?

Land, buildings and factories?

Or People?

Predictable

Less Predictable!

Workforce Analytics helps make HR more predictable

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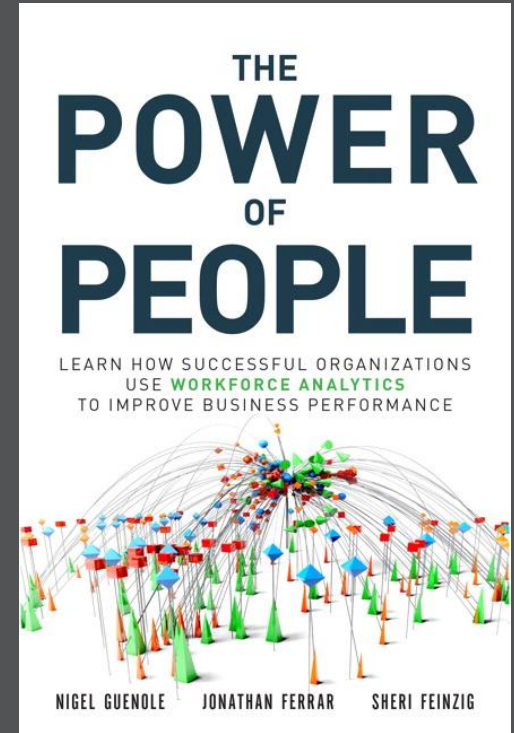
Power of People Contributors!

shutterfly

Microsoft

Shell

Standard Chartered

AVIVA

BNY MELLON

NORTHEASTERN UNIVERSITY
LVX VERITAS VIRTVS
BOSTON, MASSACHUSETTS

LinkedIn

ABN·AMRO

Wolters Kluwer

CG3

agoda.com

intel

CISCO

Unilever

iNostix by Deloitte

proacteur

Westpac

postnl

METROPOLITAN POLICE

ANZ

Ahold Delhaize

UNIVERSITY OF SOUTH CAROLINA

Nordea

tanfeeth تنفيذ

Seattle Pacific UNIVERSITY

ERICSSON

GROUPON

Note: Vignettes are short stories that emphasize key points in workforce analytics. They are taken from interviews with experts who work for or who worked at these organizations. The use of logos does not mean that any of these organizations endorse The Power of People book. They are being used for illustrative purposes only.

Group Exercise: How many can you answer yes to?

Q1. A vision and mission for workforce analytics
Q2. Clear governance, accountability, and privacy standards
Q3. Stakeholders who want to solve business problems with analytics
Q4. A strategy for prioritizing workforce analytics projects
Q5. Senior sponsors who will champion analytics
Q6. Sponsorship and involvement from the CHRO
Q7. A skilled analytics team leader
Q8. The right skills: HR, psychology, statistics, data science, consulting, storytelling
Q9. Clear guidelines about if/when to use external consultants/vendors
Q10. The right analytics technology for your needs
Q11. The right data to analytically answer business challenges
Q12. A development and succession planning strategy for important analytical skills
Q13. The ability to show impact and return on investment from workforce analytics
Q14. Analytics embedded throughout the HR function
Q15. A standardized approach to undertaking analytics projects

So how ready are you to deliver analytics projects in HR?

Within Europe:

Top third = 8 or over
Middle third = 5, 6, or 7
Bottom third = 4 and under

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And now for something entirely new

5 truths (propositions?) about
workforce analytics

I'll present these, and we'll use the wisdom of
the crowd to refine, refute, or replace them!

You don't always need analytics in HR

A. When problems are well understood, trust the science!

B. When simple analysis produces dramatic results, go for it!

C. When expert opinion is better than novice analysis

Research design compromises are costly!

Method	Key features		Practicality	Confidence in causal inferences
Experiments	Randomization	Control group	Can be diificult	High
Quasi-experiments	No randomization	Control group	Moderately difficult	Moderate
Correlational studies	No randomization	No control group	Relatively easy	Low (unless advanced methods and careful designs are used)
Qualitative studies	Usually no randomization	Usually no control group	Moderately difficult	Low

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Data novelty is inversely related to utility

Location apps. Recording apps. Notification apps are generally fine.

When it comes to new approaches to measuring worker knowledge and abilities, be wary.

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Data Utility is Inversely related to Data Novelty

You can't manage your workforce without knowing who they are!

Measure your workers' KSAOs!

The Fascinating Psychological Microfoundations of Strategy and Competitive Advantage

Annual Review of Organizational Psychology and Organizational Behavior

Vol. 1:145-172 (Volume publication date March 2014)
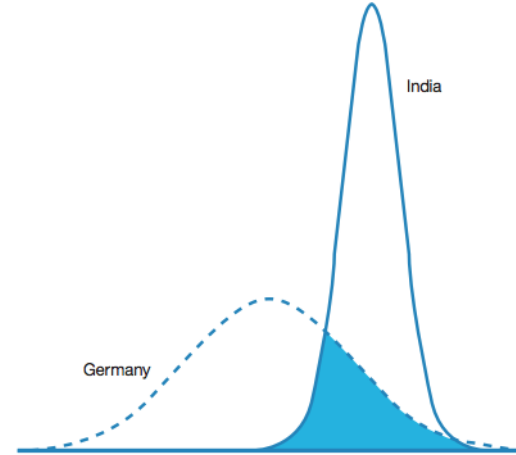First published online as a Review in Advance on January 10, 2014
https://doi.org/10.1146/annurev-orgpsych-031413-091312

Workforce analytics needs to include two way influence!

Worker attributions about organizational intentions will impact cooperation

Worker attributions about analytics really matter!

Figure 1: Distribution of employee preferences in Germany (left) and India (right)

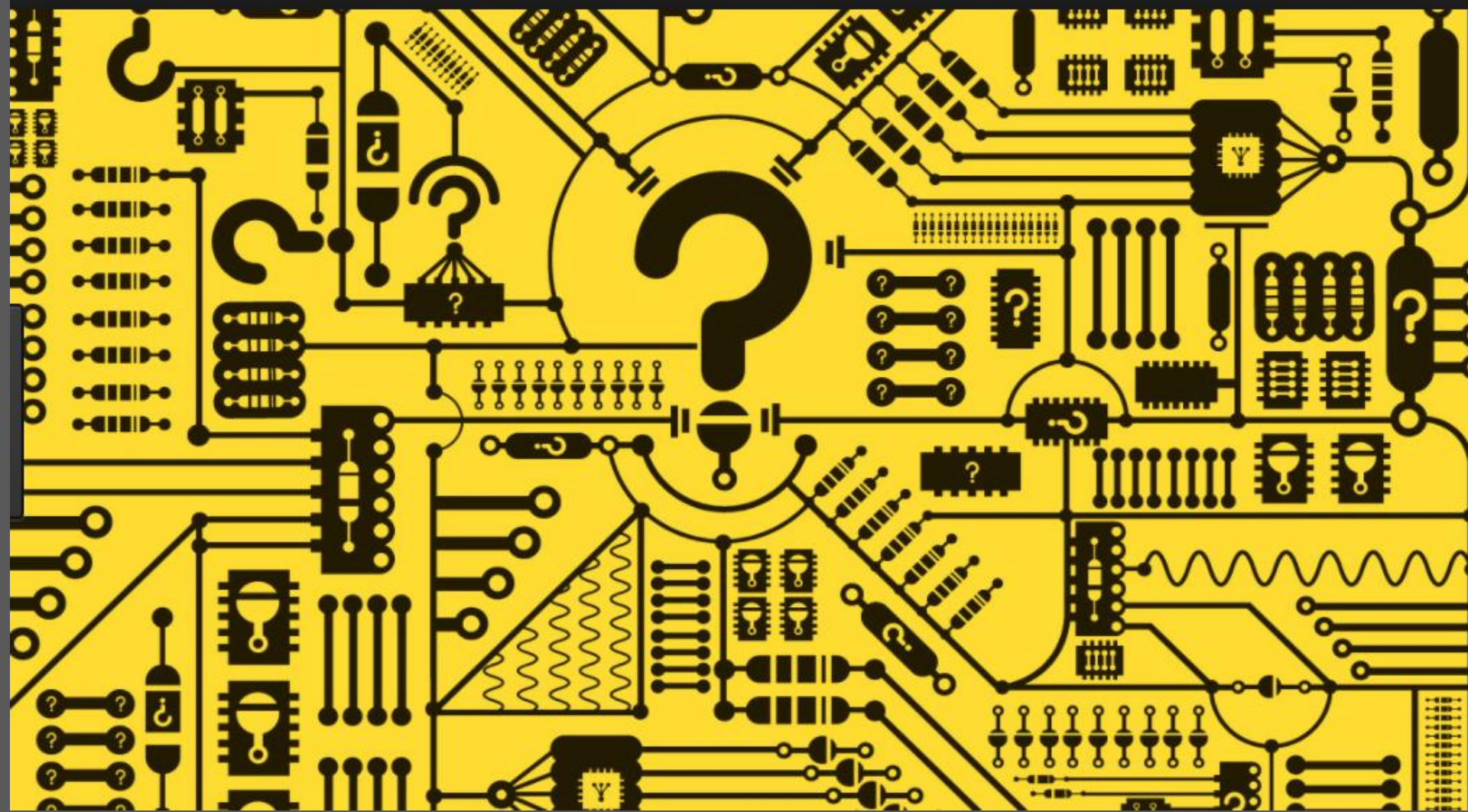**Privacy preferences: India versus Germany**

5 Truths about workforce analytics

- Some HR problems don't require analytics

- Research design compromises are expensive

- Data novelty is inversely related to utility

- You need to measure your worker KSAOs

- Workforce analytics requires two way dialog

THANK YOU!

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