

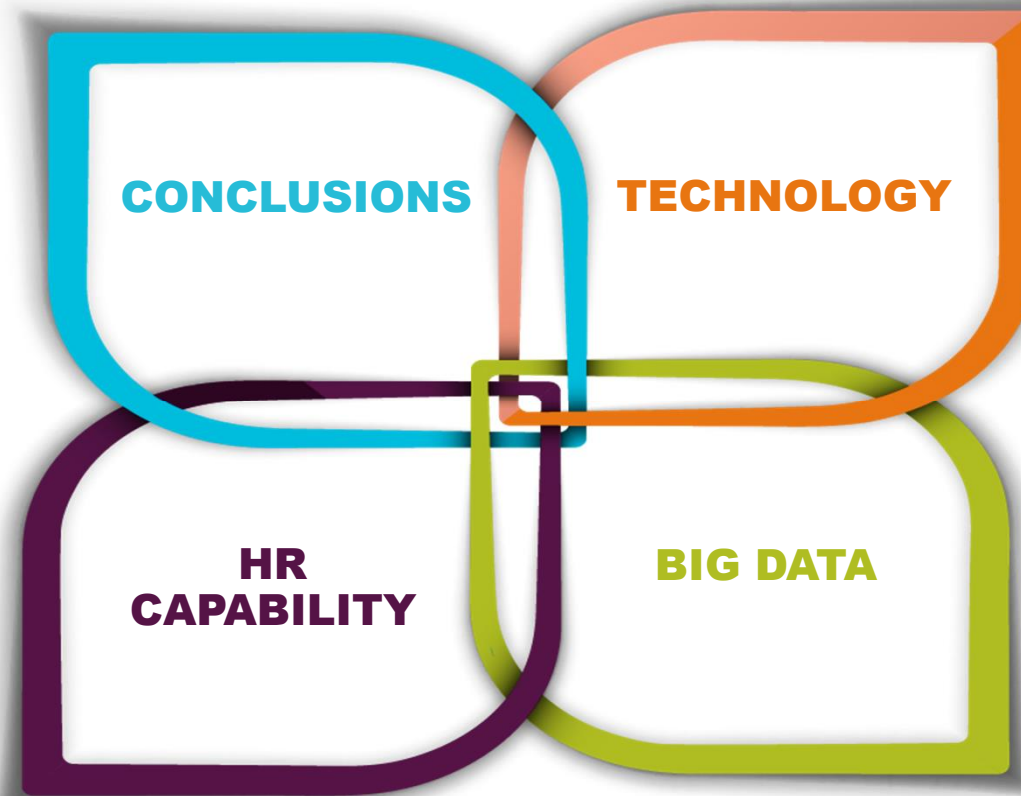
Technology, Big Data and HR Capability

Shifting the Needle in a Changing World



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IBM Smarter Workforce Solutions

Agenda



- “ Technology + Big Data = Future of HR
- “ Fit for Purpose or What?

- “ Role of Technology with HR
- “ HR Challenges
- “ Tomorrows HR Technology

- “ Evidenced Based HR
- “ Scary or What?

The World of Work Is Changing



Technology has changed the way, and the speed, at which people communicate and connect - social media is a part of that change. This shift has dynamically changed the market, and it's going to continue to change the way that business operates.

Are we in HR up to speed, receptive to these changes and understand the impact on jobs and behaviours?



The insight on human behaviour is greater than it has ever been - we have reached a point where we know what makes people good at what they do, individually and as a group. And we understand the dynamics of talent and the science of human behaviour like never before.

Is that the way that HR now thinks?



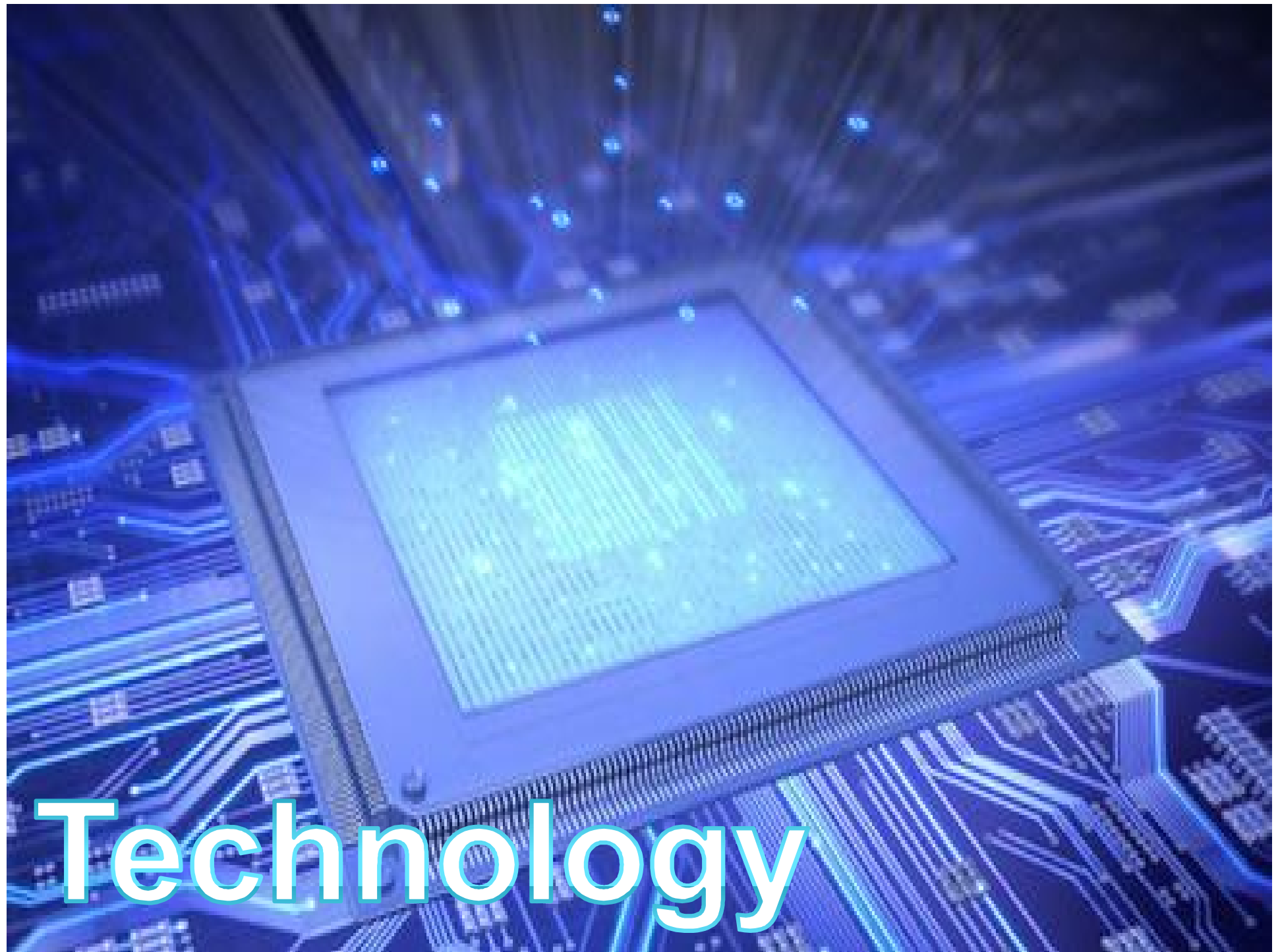
The combination of these two things has produced significant amounts of data around human behaviour that we can analyze to literally predict behaviour, identify talent like never before, match capabilities to market needs, retain the best and act on proven insight to drive business outcomes.

Is that how we in HR want to operate?



The role of HR will continue to evolve and change as we strive for increased commerciality, credibility and business related outcomes across the profession.

Is HR 'fit for purpose' capability wise?



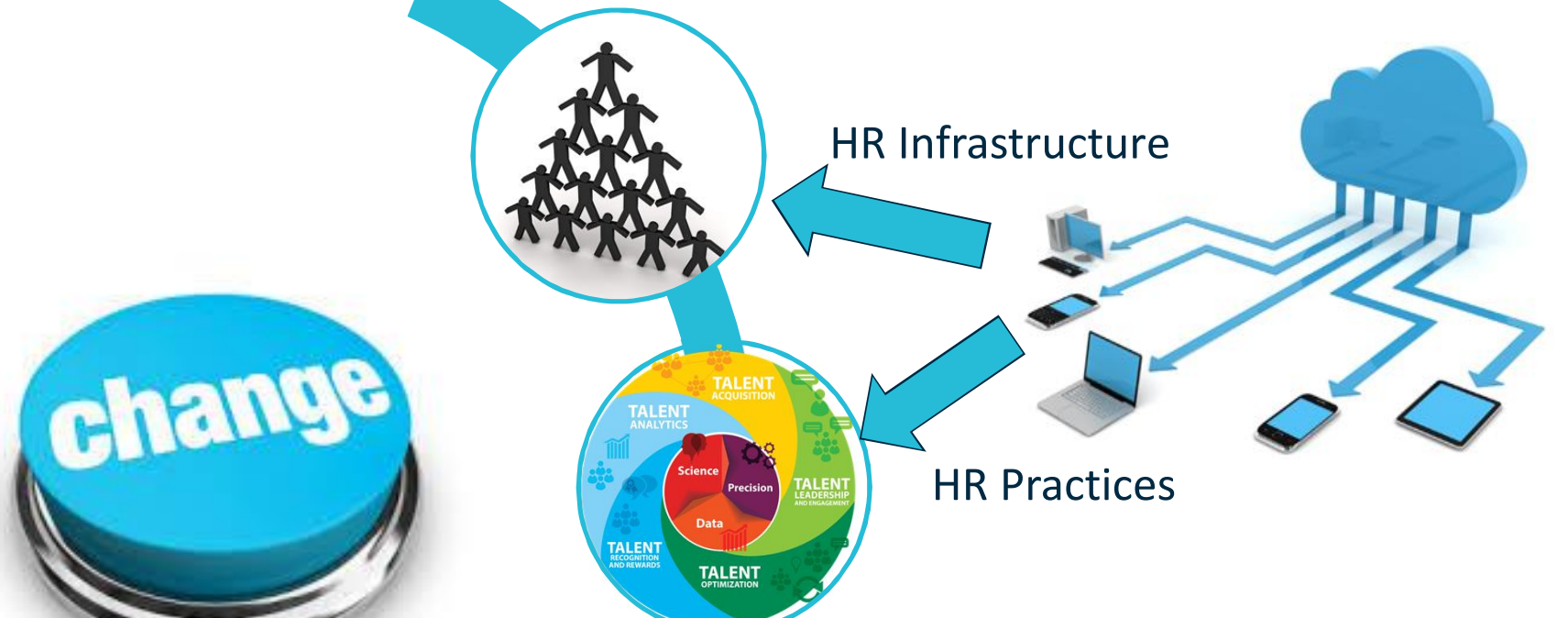
Technology

Drivers of HR & How Technology Helps

1. Capability Understanding – where are our critical skills?
2. Workforce of One – how can we treat each employee as an individual?
3. The Value of the Workforce – how can HR maximise the value of the workforce?
4. Digital and Social Everything – how can we enable employees to give of their best wherever they are (knowledge sharing, collaboration etc.)?
5. Global Talent Landscape – how do we enable global vs. local vs. mobile workforces to perform?
6. Talent Management Meets Science – how can we use our data to drive better workforce performance and manage risk more effectively?
7. Agile HR – how can HR help organisations to adapt to changing business conditions quicker than ever before?
8. Seamless Employee Experiences – how can HR ensure that its' processes span discipline and boundaries more effectively?



Transforming HR & Role of Technology



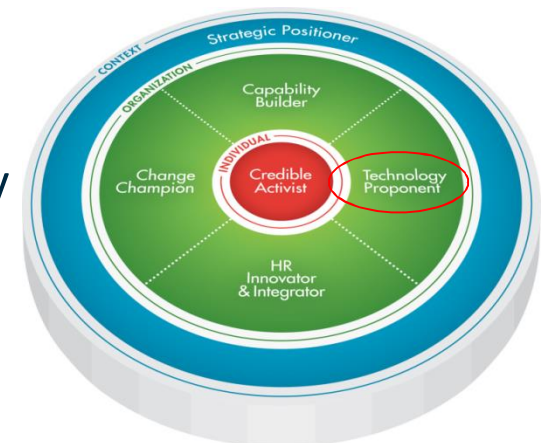
Key questions

In thinking about how their organizations need to change, HR executives should ask:

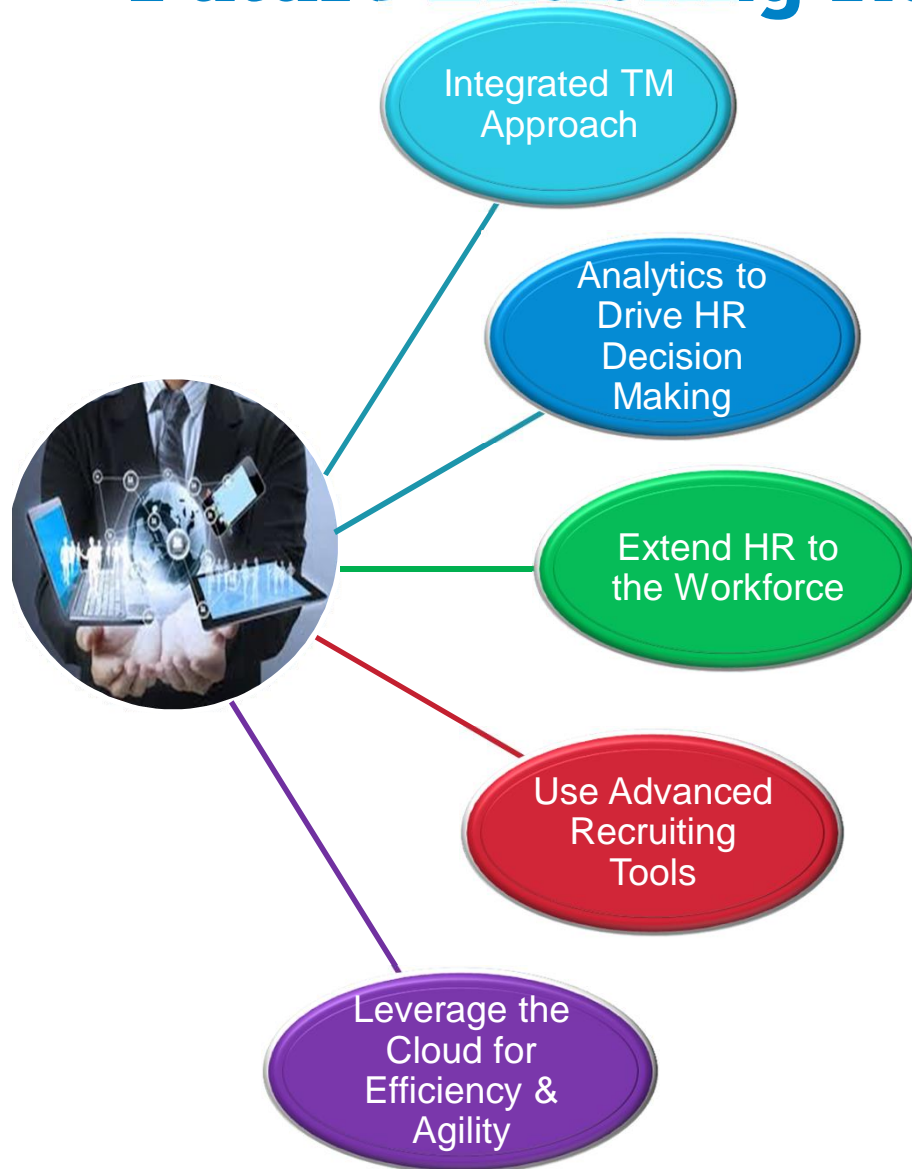
- ▶ How well do we support day-to-day talent decisions that enable business strategy?
- ▶ Are we able to provide the business with actionable insights that drive competitiveness?
- ▶ Are we taking full advantage of newer technologies to connect with talent, internally and externally?
- ▶ How well are we using technology to succeed in the age of "digital HR"?
- ▶ Are we incorporating evolving technologies into our HR organization's plans for the future?



HR Capability



Future Enabling Role of Technology



Key questions

Key questions

In thinking about leveraging the cloud, HR executives should ask:

- ▶ What impact can the cloud and SaaS have on our capital and operational costs?
- ▶ How could we use improved access to evolving technology to enable business agility?
- ▶ If we could be less dependent on IT when making change,

what would that mean to our ability to innovate and adopt new processes?

- ▶ If we wanted to move to the cloud gradually, what areas and functions would we want to focus on first?
- ▶ How well do we understand the ins and outs of the cloud, and its potential for HR?

performance?

create consistent global reports?

HR Practices



Meet “Watson”

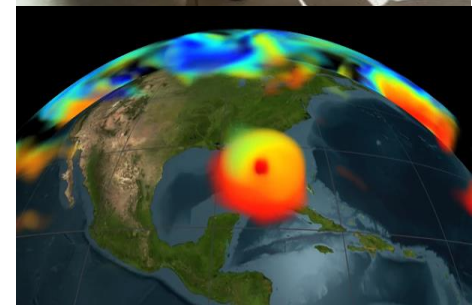


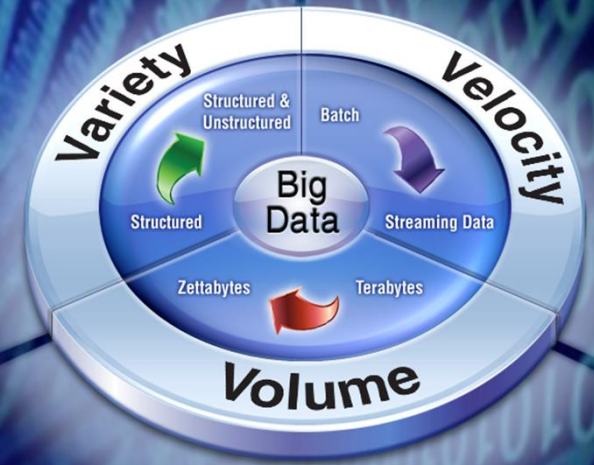


~~Big Data~~

Insights

Big Data – All of Us Are Already Users!





Big Data is about the ability to look for relationships in large data sets

HR: Why Use a More Evidence Based Approach?

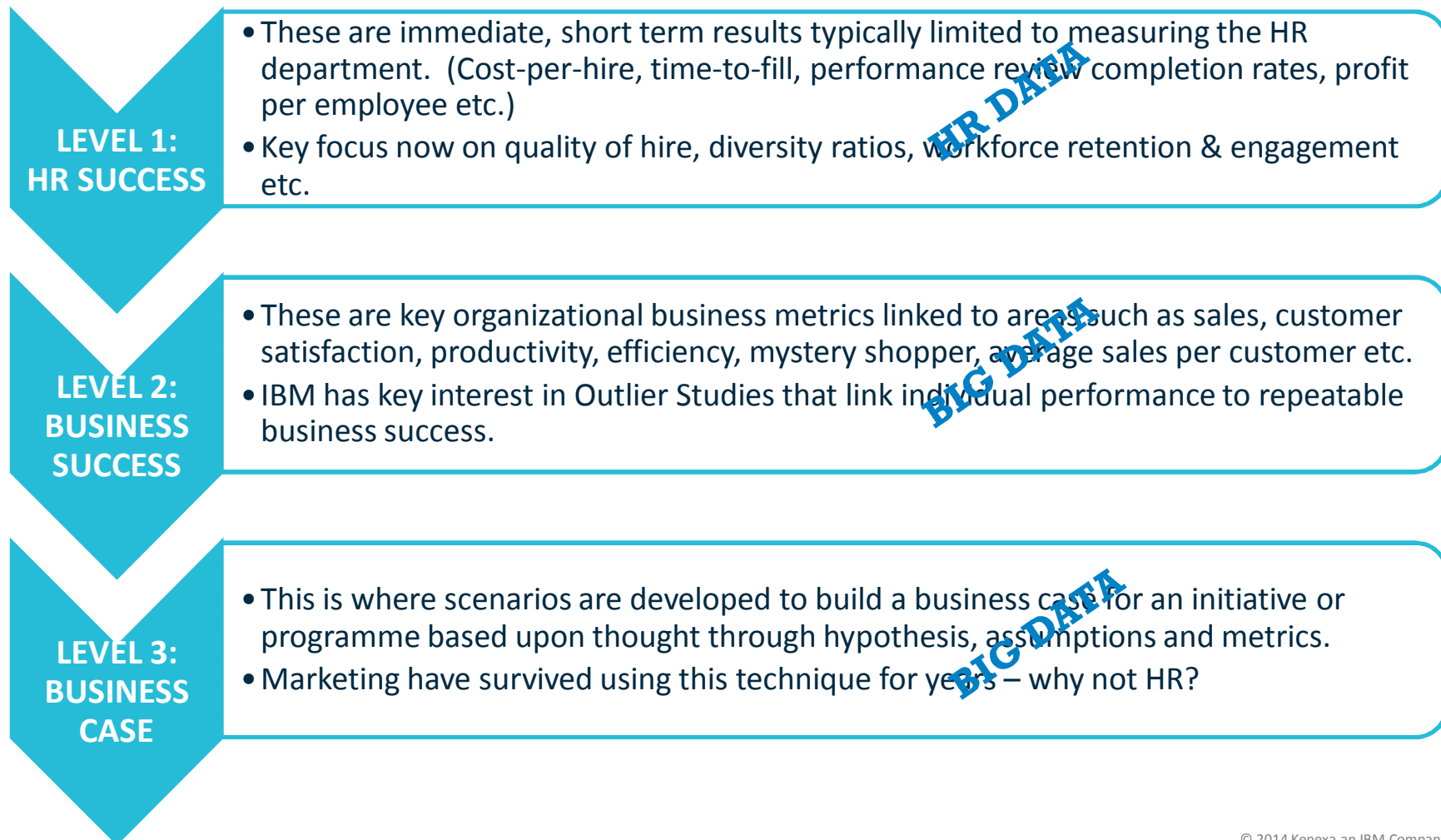
- “ The image and credibility of our HR function needs to improve.
- “ My HR function competes with other functions within the organisation for resources (people and financial).
- “ My organisation is focussing on making the links between HR and business strategy much clearer.
- “ There are a variety of demands upon HR to deliver tangible business results/outcomes.
- “ The organisation is undergoing significant change.
- “ There is pressure from executives/senior management to measure the tangible results of our HR initiatives.
- “ HR needs to show the ‘added value’ that it provides beyond helping with difficult conversations, redundancies, process management etc. (“make the intangible more tangible”)

**IF NONE OF THESE ISSUES ARE RELEVANT TO YOUR FUNCTION
THEN NO ACTION REQUIRED**

Workforce Analytics Approach

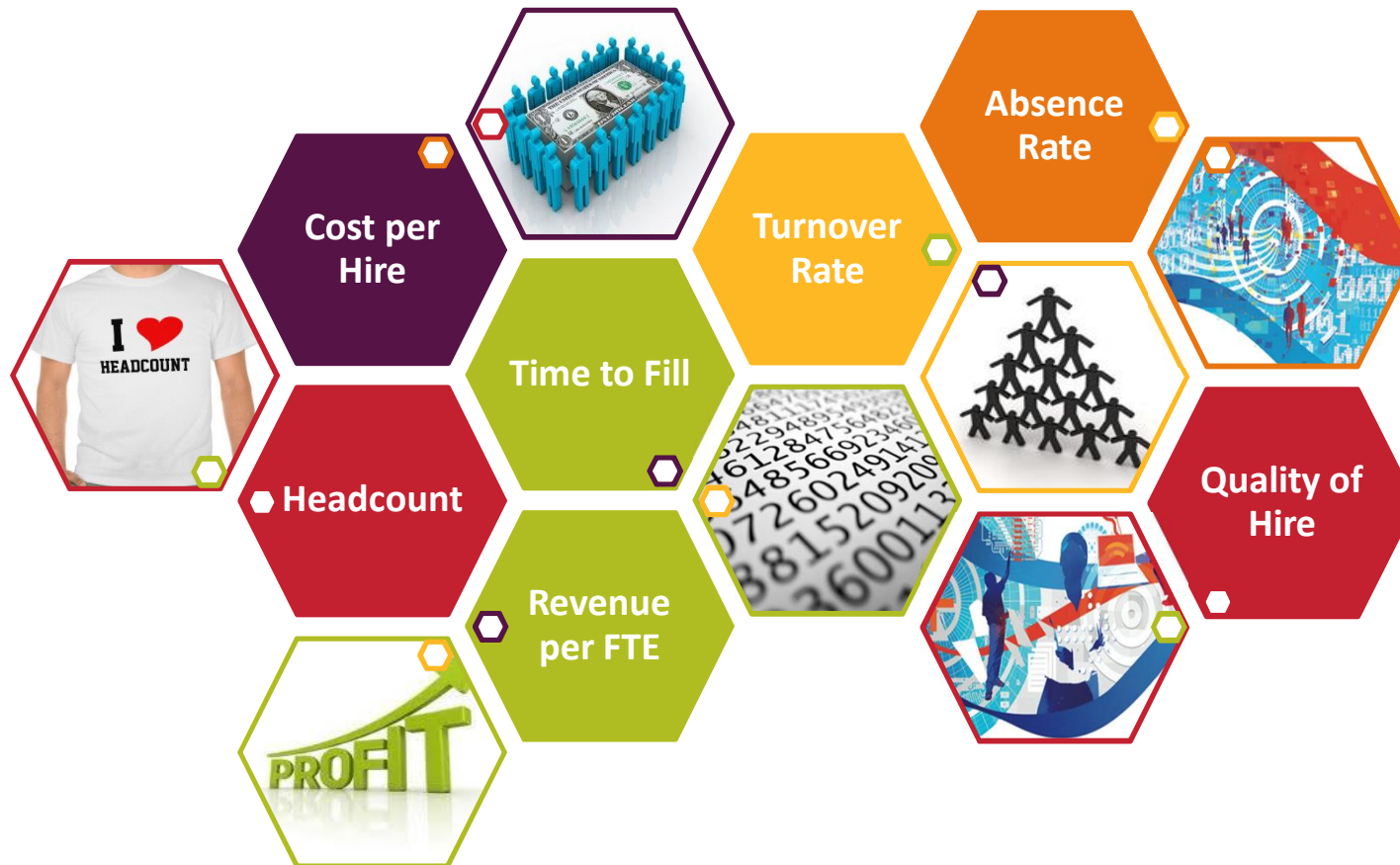
Big Data and Metrics

A metric is a way of using a number that when added to words makes an argument more powerful.



Metrics vs. Analytics and Insight

Metrics are measurable factors that can be used to demonstrate the contributions of HR strategies to an organization.



“Without data we have only opinions.” (Jac Fitz-enz)

Metrics vs. Analytics and Insight

Many HR organisations track metrics but fail to provide analytics.

Metrics
Data that reflect some descriptive detail about given processes or outcomes
Reporting
Metrics provide information

Vs.

Analytics
Strategies for combining data elements into metrics and for examining relationships or changes in metrics
Reporting
Analytics informs decisions

The disconnect between metrics and analytics has resulted in organizations not using data to their advantage.



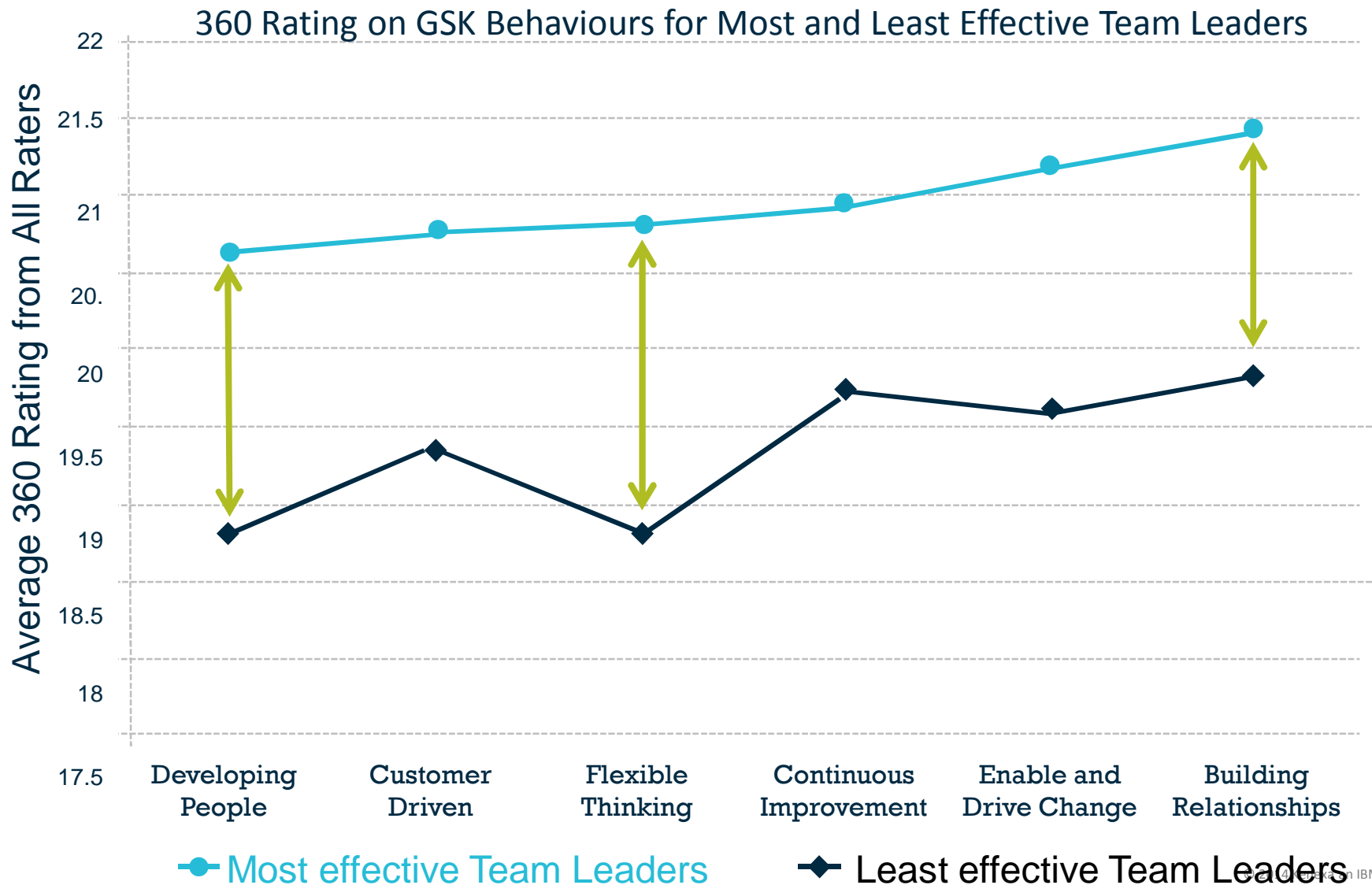
Case Study: Building Leadership Capability

Comparing the most effective and least effective leaders

Survey items	Least effective leaders % Fav (n=380)	Most effective leaders % Fav (n=453)	Difference
I am very clear about what I am empowered to do in my role.	54%	97%	+43%
I feel energised by my work.	37%	94%	+57%
I receive ongoing feedback that helps me improve my performance.	31%	93%	+62%
I understand how my performance is evaluated.	31%	92%	+61%
I feel supported during organisational change at GSK.	16%	88%	+72%
I rarely think about looking for a new job with another company.	34%	83%	+49%

Case Study: Building Leadership Capability

What are the most effective and least effective leaders doing differently?



Case Study: Leaders Driving Performance

What is it that our best Cinema Managers do?

- É Needed to improve margins and performance across the chain – asked the CEO “What are your Business Critical Success Metrics?”
- É Answer was: Unit Sales, Concessions per Head, Fast, Fun, Friendly Customer Scores, Complimentary Store Sales, Employee Retention, Quality of Staffing Plan and Unit Level Controllable Profit.
- É Assessed Top 10% Cinema Managers vs 10% Lowest Performers.
- É Identified new criteria that led to complete change of people strategy – “raised the bar”.
- É Teams run by managers who most closely aligned with the new “fit” strategy saw:
 - “ Employee engagement scores increase 6.2%
 - “ Turnover rates dropped 43%
 - “ Profit per customer increased by 1.2%
 - “ Guest satisfaction increased by 7%
- É Translated into millions of increased net income!!!



Big data can transform the impact of talent management

**It engages leaders - it talks
their language; data,
numbers, about things
they care about;
productivity, performance,
building strategic
capability etc.**



The Future of HR and Data

Some Learnings

- “ Start with the business issue not the data.
- “ Don't be seduced by the technology.
- “ Start small and prove the concept.
- “ Join your HR data with finance, marketing, risk etc.
- “ Presentation is critical – Keep It Simple!
- “ Recruit HR people who get it and want to work with data.
- “ Develop some comfort with data.
- “ Work with other functions to help you (and them) make sense of what the data is saying.
- “ Data is a tool not the answer, never lose track of the human side of talent!





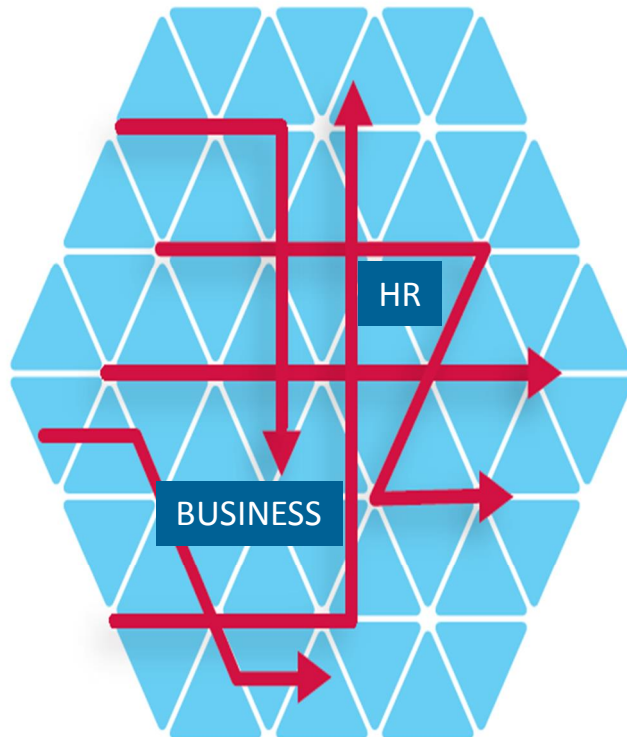
HR Capability

HR Data Feedback

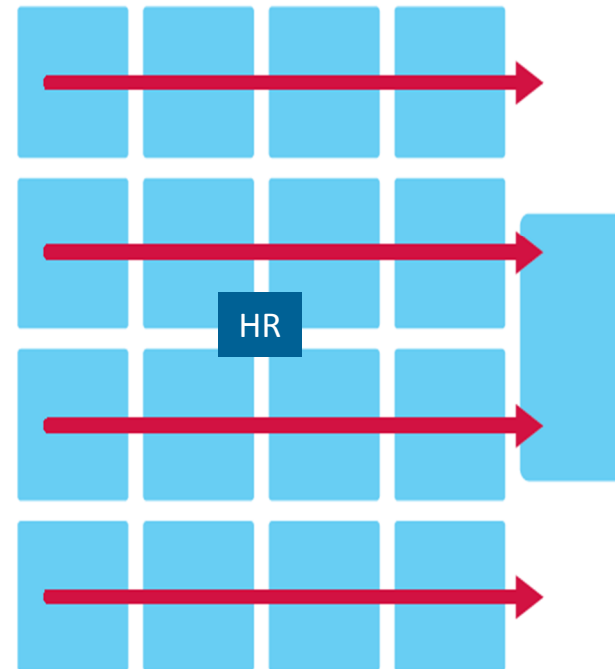


High HR Performers vs. Average HR Performers

High HR Performers:
Business Career Path Focus

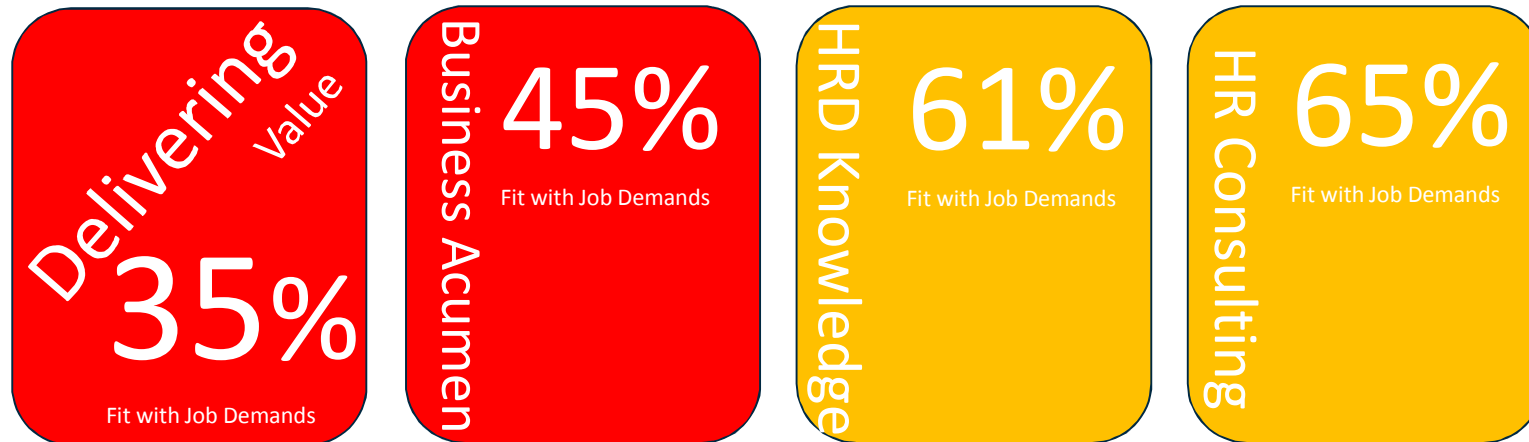
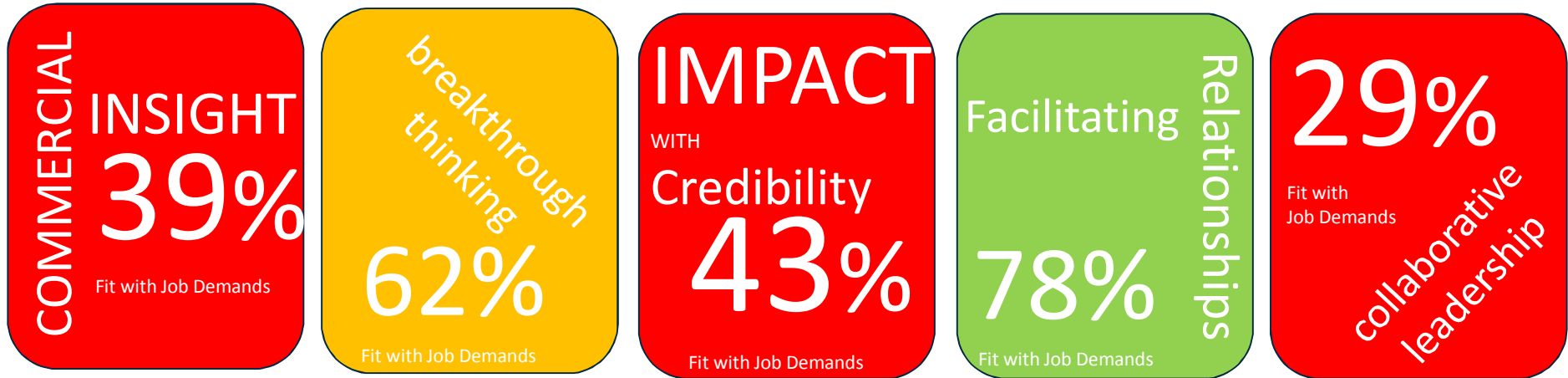


Average HR Performers:
HR Career Path Focus



HR Capability (Behaviour/Knowledge/Expertise)

(589 Practitioners)



Knowledge Based

HR Capacity (Work Style/Motivations/Intellect)

(882 Practitioners)

- Research has been undertaken into what criteria drives higher performance from HR practitioners across various job levels.
- A Job Fit profile that prioritises the factors that make up the key personality traits that drive superior performance has been identified and how they relate to a senior HR role in terms of a “% fit to job demands”.
- The analysis has been undertaken using our trait based assessment called OPI.

JOB FIT	LEVEL OF FIT	NO. OF HR POPULATION IN RANGE	PERCENTAGE OF HR POPULATION
90% Fit or more	Excellent Fit	125	14.2%
85% to 89%	Good Fit	159	18.0%
80% to 84%	<u>Adequate</u> Fit	169	19.2%
79% to 75%	Development	106	12.0%
Less than 74%	Significant Development	323	36.6%

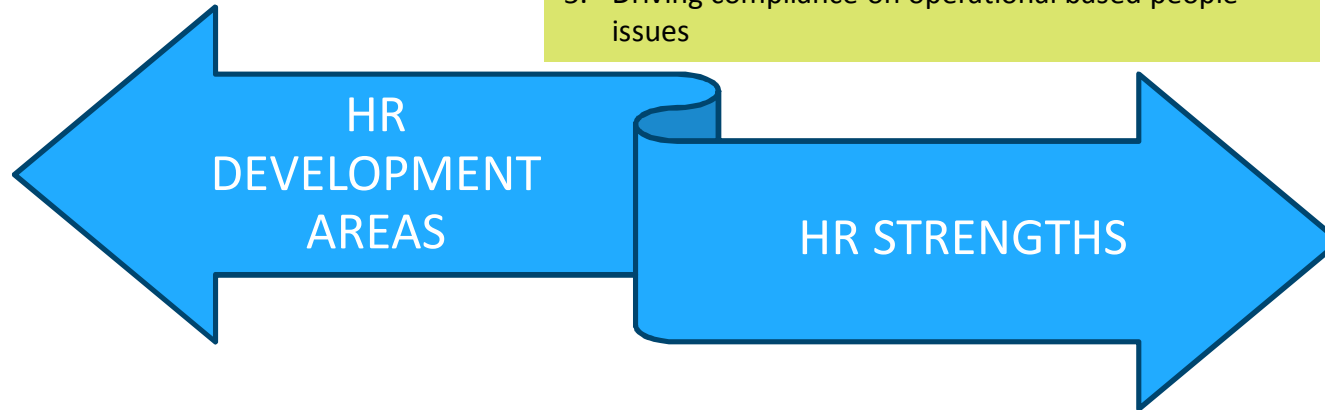


HR Infrastructure: Customer Feedback

(897 Internal Stakeholders – Executives and Senior Management)

Top 5 HR Strengths:

1. Being a role model for organizational values
2. Being up to date legislatively
3. Having a productivity based focus
4. Providing insights to people based issues
5. Driving compliance on operational based people issues



Top 5 Improvement Areas:

1. Be commercial first; that will provide strategic involvement!
2. Developing better data analytical capabilities and evaluate/measure people programs & actions in commercial terms (ROI/metrics)
3. Integrating external factors into their thinking; be 'future based' not just 'past based'
4. Understanding new technological advances, outlining commercial benefits
5. Embedding change more effectively into organizations

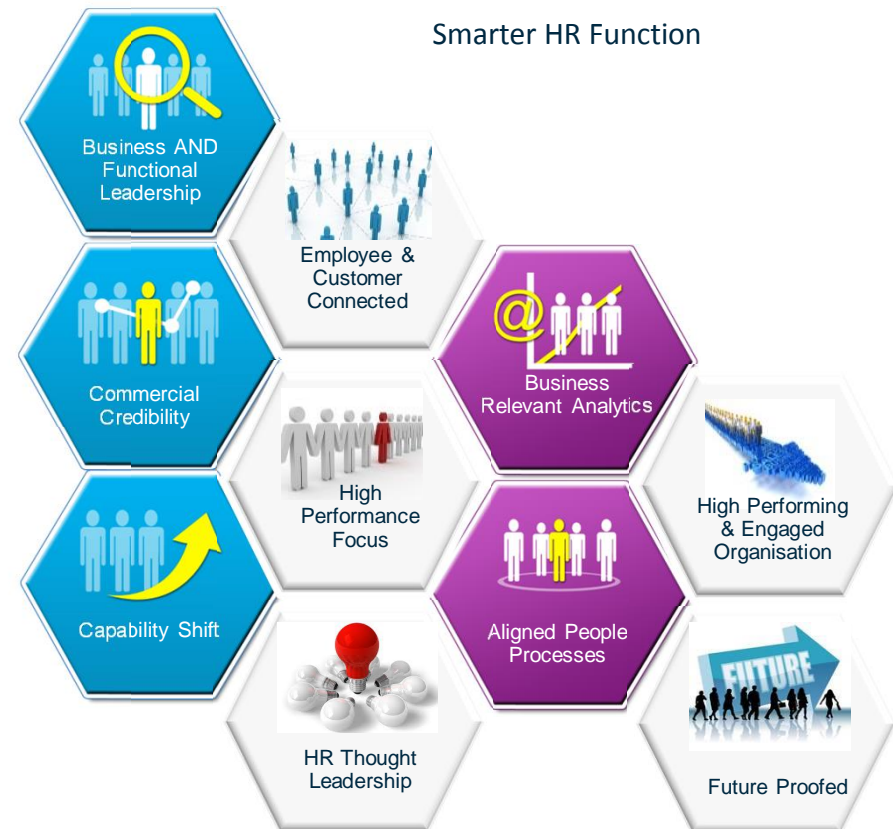


**INTERNAL STAKEHOLDERS SEE HR OPERATING PREDOMINANTLY @ LEVEL 2+
HR'S PERCEPTION IS THAT THEY ARE OPERATING @ LEVEL 3+**

Building Blocks of a Smarter HR Function



Smarter Workforce



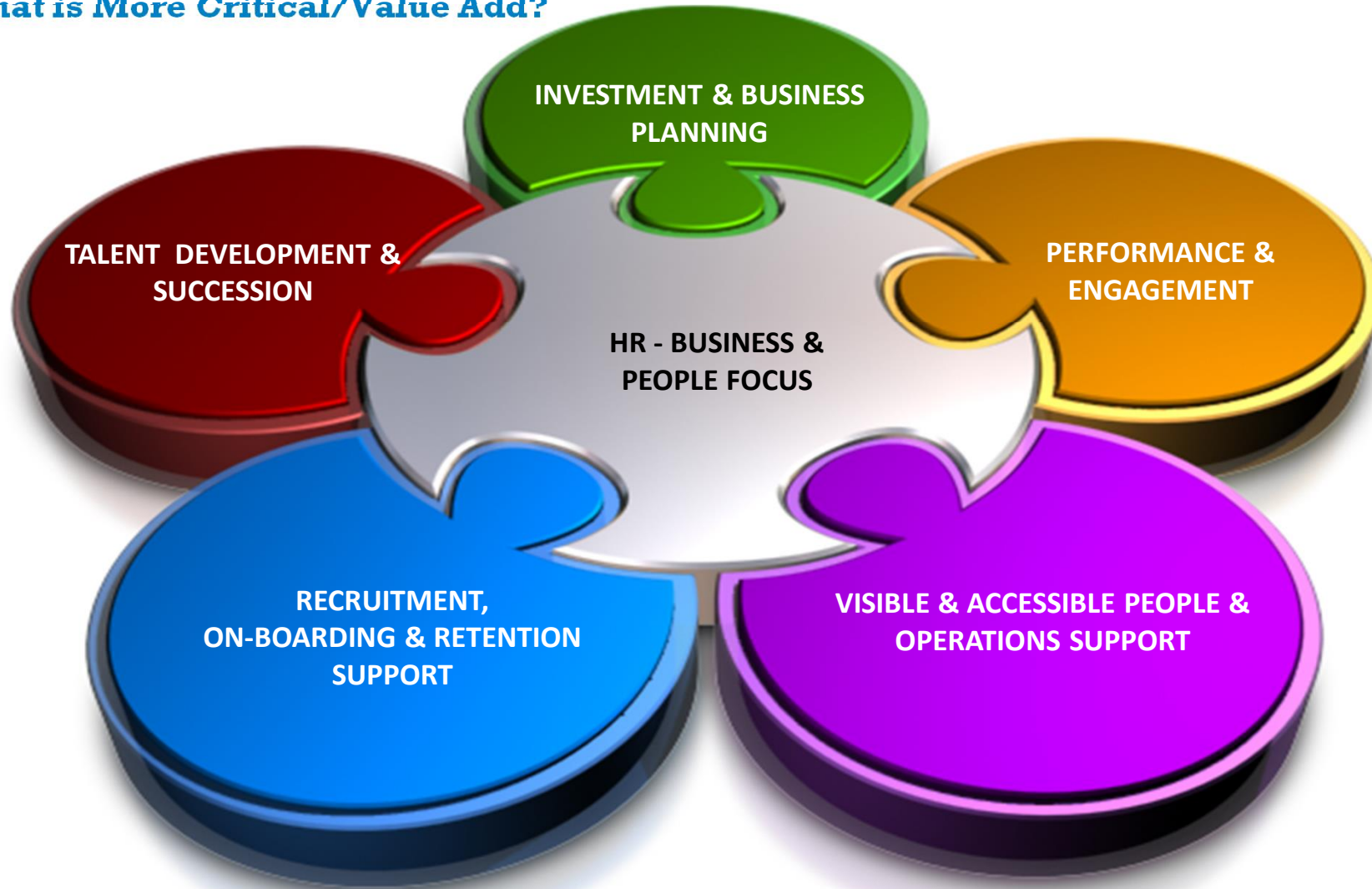
...it's about changing the mind-sets of the internal clients (do they expect enough of HR?) and those of us as HR practitioners (are we stuck in our comfort zone?)

Conclusion

A magnifying glass with a black handle and a silver rim is positioned over the word "Conclusion". The lens of the magnifying glass is centered over the letters "clu", making them appear significantly larger and more prominent than the other letters in the word. The word "Conclusion" is written in a bold, black, sans-serif font on a white background.

Analytics Will Allow Us To Focus

What is More Critical/Value Add?



Analytics Demonstrate Value

SMARTER WORKFORCE



Enabling the workforce & talent programs to drive performance

Commercial

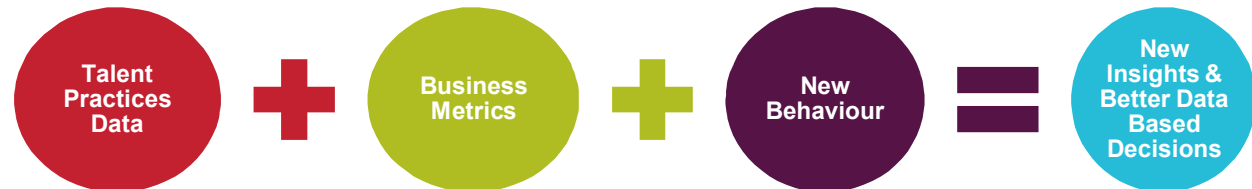
HR VALUE

Operational



SMARTER HR FUNCTION

Driving efficiency & effectiveness of HR support operations





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