A New Approach to People Analytics
Leading with Intelligence

Human Capital Growth
Excellence through evidence
Presenter

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Human Capital Growth
We help organizations achieve talent management excellence and leadership excellence using science, analytics, and empathy.
What we do

Talent Management Excellence

STRATEGY
Leading with intelligence

AUDIT
Pinpointing opportunities

ANALYTICS
Fine tuning intelligence

EDUCATION
Shaping minds

Leadership Excellence

ASSESSMENT
Accurate insight on candidates

DEVELOPMENT
Inspiring growth & excellence

TEAM ALIGNMENT
Help leadership teams win
Agenda

- Common approaches to people analytics
- Challenges with traditional analytics efforts
- New approach: Leading with intelligence
- Case studies showcasing the new approach
- Skills for leading intelligence-based people analytics
Talent Analytics Framework

Talent Analytics Maturity Model

Level 4: Predictive Analytics
Development of predictive models, scenario planning
Risk analysis and mitigation, integration with strategic planning

Level 3: Strategic Analytics
Segmentation, statistical analysis, development of "people models"
Analysis of dimensions to understand cause and delivery of actionable solutions

Level 2: Proactive – Advanced Reporting
Operational reporting for benchmarking and decision making
Multi-dimensional analysis and dashboards

Level 1: Reactive – Operational Reporting
Operational reporting for measurement of efficiency and compliance
Data exploration and integration, development of data dictionary

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Talent Analytics Methods

- Reporting
- Dashboard
- Benchmark
- Correlational
- Predictive analyses
- Predictive modeling

Value

Low
High

Low
Complexity
High

Hindsight
Insight
Foresight
Traditional Talent Analytics

- Reporting
- Dashboard
- Benchmark
- Correlational
- Predictive analyses
- Predictive modeling

- Hindsight
- Insight
- Foresight

80%
The Talent Analytics Dashboard

- **Don’t Trust**: 82% of business leaders don’t trust talent data.
- **Don’t Believe**: 83% of business leaders don’t believe talent analytics are focused on the right issues.
- **Don’t Use**: 85% of HR leaders have not used information gleaned from data analytics to change a business decision in the past year.

*Source: CEB 2013*
Traditional Talent Analytics Approach

Phase 1: Design
- 3-12 months

Phase 2: Implement
- 12-18 month lag

Phase 3: Improve
- 3-12 month lag

Phase 4: Reactive Actions
- 18-42 months

Phase 5: Outcomes

Data → Analytics → Insights → Reactive Actions → Outcomes

Hindsight
Reacting to past challenges
May not be relevant
A little too late

Project Phases
1. Design
2. Implement
3. Improve

18-42 months
Can we Overcome these Challenges?

- Trust in the data
- Focus on the right business issues
- Timeliness
- Move from hindsight/insight to foresight
Alternative Approach
Talent Analytics: Leading With Intelligence

1. Design
2. Implementation
3. Improvement

Phase 1: 2-6 weeks
Phase 2: 3-6 months
Phase 3: 3-12 months

Expected Outcomes
Evidence
Planned Actions
Measures
Analytics
Insights & Foresights

Business Focus
Foresight
Data quality

Timelines
7-19 months

Project Phases
1. Design
2. Implementation
3. Improvement
Traditional vs. Intelligent Analytics

**Traditional analytics**
- Past focused
- HR Analytics isolated from business operation
- Utilizes data
- Justifying costs/ ROI

**Intelligent analytics**
- Future focused
- HR Analytics integrated with business Operations
- Utilizes data, metrics, and measures
- Outcome focused

Good for steady state business
Keep pace with changes in the business
Data, Metrics, and Measures

Data
Raw information, can be numeric or non numeric

Metric
Using data to compute a single score or a set of scores to represent a phenomenon

Measures
Developing a metric that is a reliable and valid representation of an abstract concept
“Put more feet on the street to close the revenue gap”
Client: Midsize Software Firm
“Put more feet on the street to close the revenue gap”

BUSINESS CHALLENGE

Publicly traded: Meet analyst expectation

Expand sales team

Increase revenue and profitability

Meet revenue target in Less than 12 months
Solution

- Deploy more sales executives to grow revenue
- Reduce time to productivity from 18 months to 6 months

- Onboarding
- Assessment
- Goal Setting

- Two week Sales Boot camp
- 60-90-120 day plan with mentoring and feedback

- Individual performance data during the boot camp
- Goal achievement

- Chart with rank ordering of new hires by scores
Using Evidence to Gain Foresight

**Outcome**
Shorten onboard time

*New hire socialization*


**Outcome**
Predicting skill transfer

*Knowledge and attitude change*


**Outcome**
Manage performance

*Goal setting and feedback*

## Sales Director Score Card

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<th>Product Group A</th>
<th>Product Group B</th>
<th>Product Group C</th>
<th>Identification of correct solution</th>
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- **Top Quartile**
- **Bottom Quartile**

CASE STUDY
Results

After 6 months

Bottom Quartile

Top Quartile
Lessons Learned

- Alignment around key outcomes
- Culture of data-based decision making
- Evidence on key drivers
- Forward looking insights
Traditional Talent Analytics

Use of evidence-based practices provided foresight with simple analytics

- Reporting
- Dashboard
- Benchmark
- Correlational
- Predictive analyses
- Predictive modeling

Value

Complexity

Hindsight
 Insight
 Foresight

Low
 High

Low
 High
“Justify the Training Expenditure”
Client: Large Technology Firm
“Justify the Training Expenditure”

BUSINESS CHALLENGE

Ivy league business school providing marketing education

Over a million dollars annual budget

“Quantify the value or else deploy budget elsewhere”

Some data/metrics/measures available

Need results in six weeks
1. **Review of archival data**
   - Training participation data
   - Marketing competency scores
   - Performance ratings

2. **Generation of predictions**
   - Competency scores will be higher for trainees than non-trainees
   - Post training competency scores will be higher than pre-training scores
   - Performance rating scores will be higher for trainees than non-trainees

3. **Statistical approach**
   - Logistic linear regression
   - Discriminant analysis
In Time 1, trainees and non-trainees had similar competency scores.

In Time 2 (a year apart), the competency ratings of trainees was on average 2 points higher than non-trainees (statistically significant difference).
Trainees had higher (statistically significant) review ratings than non-trainees.
EXPLORATORY ANALYSES

Does more training result in higher performance ratings?

CASE STUDY

Performance Rating

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EXPLORATORY ANALYSES

Who gets to attend the training?

Managers were nominating high performers for the training. Those with low performance ratings, arguably those who needed it the most, did not get access to the training.
Summary

Leadership focus on data-based decision making

Focused on a critical business question

Use of measures not just data

Timely and relevant analyses

Forward looking view to de-risk the future
Talent Analytic skills to Lead with Intelligence

Business Acumen
Awareness of how the organization operates, competes and wins in the marketplace

Evidence-based talent management
Expertise in measuring attributes such as leadership, satisfaction, motivation

Statistics
Expertise in data types, descriptive and inferential statistics, qualitative analysis, levels of analysis

Measurement of Human Attributes
Awareness of how the organization operates, competes and wins in the marketplace

What predicts workplace behaviors and human performance?
Roadmap: Leading with Intelligence

Strategic challenge
Understand what outcomes are important to the business

Evidence-based practice
Use prior evidence to select “initiatives” required to deliver outcomes

Data and measurement model
Plan to measure all aspects of the initiative

Analytics and data visualization
Analyze data and report to stakeholders

Improve and advance
Assess implication of the findings, make recommendation for improvement, develop plans for improvement
Questions?
Next HCG Webinar

Employee Selection Practices for Low Literacy Candidates

Dr. Victoria Davis

Thursday, September 22nd, 2016
8am PT
For a free one hour consultation email us at info@humancapitalgrowth.com

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Next Webinar
Thank you!

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