

Talent Analytics Quarterly

Q4 2016

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Talent Analytics Quarterly

Q4 2016

CEB Corporate Leadership Council™

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Letter from the Editor

Welcome to the second issue of *Talent Analytics Quarterly*. Following up on the positive feedback we received on our first issue released in August, this issue continues in the tradition of offering a variety of content targeted to heads of Talent Analytics, their teams, and other HR professionals interested in talent analytics: case studies of organizations that have adopted innovative practices, CEB research, practitioner interviews, and thought pieces on building the infrastructure necessary for talent analytics to succeed.

The theme of this issue is “looking forward.” See what talent analytics teams will look like in 2017 in the article “Setting Priorities for 2017: How to Boost Talent Analytics Impact.” Read how Prithvi Shergill, the CHRO of HCL Technologies, translated his vision for talent analytics into a successful, working function. Learn about the emerging trend of organizations hiring chief data officers and how this will affect talent analytics. And review four hot topics of discussion from our recent ReimagineHR summit in Miami.

I hope you find the pages that follow valuable, and as always we invite you to provide feedback and suggestions for future issues at TalentAnalyticsHelp@cebglobal.com.

Sincerely,

Daniel Metz
Research Leader
CEB Corporate Leadership Council™



Portrait of a Typical Talent Analytics Team

Over 70% of talent analytics leaders expect to increase the number of resources they devote to talent analytics over the **next 3 years.**



So what does the typical talent analytics team look like?



Organizational Structure

A dedicated analytics function in HR is the most common structure.

Over 50% of organizations have a dedicated analytics function in HR.

About 20% of organizations do not have any dedicated talent analytics professionals and instead task other HR staff with using analytics as part of their job.



Responsibility

Most talent analytics teams focus on reporting and ad hoc data requests.

85% of organizations have talent analytics staff report talent data or complete ad hoc requests from leaders.

Fewer organizations (**74%**) ask staff to complete project-based modeling or analytics studies.



Team Size

Talent analytics team size varies.

About 25% of organizations have one full-time employee devoted to talent analytics.

Another 20% of organizations have over 10 FTEs devoted to talent analytics.



Skills

Analytics leaders highly value data visualization and storytelling skills.

Over 80% of heads of Talent Analytics think data visualization and storytelling will be the most important skills for talent analytics success at their organizations.

54% also find analytics research process expertise and business acumen important.

Visit our [Talent Analytics Portal](#) for more resources on building a talent analytics team.

Setting Priorities for 2017: How to Boost Talent Analytics Impact

By Daniel Metz

As organizations begin to set their strategic priorities for 2017, one thing is certain—a large majority of organizations will be significantly increasing their investment in talent analytics.

With more and more organizations proving the value and use case for applying analytics to talent data in order to inform business decisions, the feeling that talent analytics is an area for increased focus going forward is growing substantially—three out of every four organizations plan to increase investments in talent analytics in 2017.

What's much less certain is how those investments will be made. The ambition to increase the maturity and capability of talent analytics exists widely across organizations, but there are many different paths to realize that ambition. To help those responsible for implementing or growing talent analytics make better decisions on the path forward we surveyed over 200 talent analytics professionals about their key challenges and priorities for 2017. What follows are five key recommendations based on these most recent trends.

1. Prioritize Data Quality Before Launching New Initiatives

Talent analytics leaders view improving data quality as the biggest problem and most important priority for talent analytics in 2017, and rightly so. Data

quality issues inhibit the ability of Talent Analytics functions to successfully complete or even initiate projects that fall under their core mandate to provide data and insights that help the business make important, strategic decisions.

As [Mark Little](#) wrote in our first issue of *Talent Analytics Quarterly*, organizations should take several steps to ensure data is complete, accurate, and appropriately documented:

- Define data quality standards for individual datasets,
- Assign designated data stewards with formal responsibility for defining, maintaining, and improving the quality of the data in each dataset, and
- Incorporate measures of data quality in dashboards and reporting that use the data.

#1 Talent Analytics Priority for 2017

Improving Data Quality



60% of Organizations

#1 Barrier to Talent Analytics Effectiveness

Data Quality



54% of Organizations

Source: CEB 2017 Talent Analytics Agenda Poll.

There are too many stories of organizations wasting enormous amounts of time and energy on analyses that have to be thrown out or redone because of data quality issues that should have been discovered and dealt with before launching the project. A key imperative for organizations thinking about their wishlist of 2017 talent analytics projects should be to put a system in place at the onset to mitigate data quality issues before getting started.

2. Reduce the Volume of Ad Hoc Data Requests

A large majority of talent analytics staff find themselves responsible for general reporting of HR metrics and responding to ad hoc data requests from the business (Figure 1). Unfortunately, time spent on these activities comes at the expense of more strategic, project-focused activities. Even when talent analytics teams are able to work on strategic projects, the time and resources spent on those projects and their quality often suffer as a result of basic reporting requirements.

For talent analytics to have the strategic impact that's been promised to the business, talent analytics staff need to better manage the time devoted to transactional reporting requirements and serving ad hoc data requests. Here are two suggestions for doing this, each of which should be considered as talent analytics organizations enter the new year.

Shape the perception of the function.

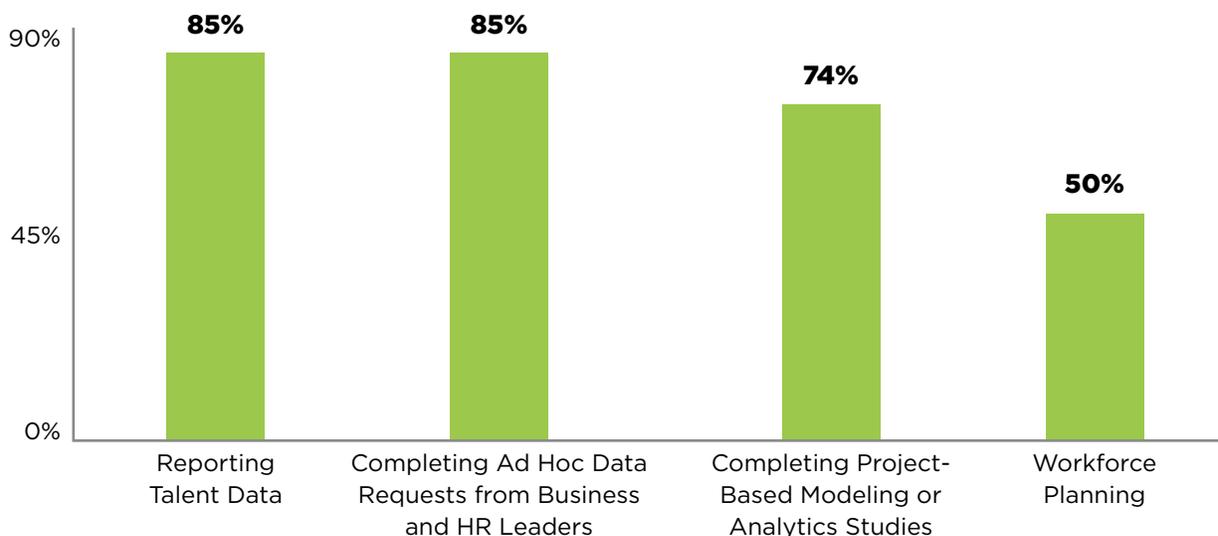
Talent Analytics functions need to establish a reputation as having a strategic focus. Several talent analytics professionals have suggested that the name "talent analytics" undersells the function's ambition to serve the business's strategic rather than transactional needs by suggesting anyone should consult the function for numbers- or data-based requests. If the organization does not understand talent analytics' purpose, leaders need to build the business case for strategic talent analytics. The proper role of talent analytics should be an important part of the conversation with the CHRO, line leaders, and other internal clients.

Build reporting capabilities in other functional areas.

About 40% of organizations say improving the talent analytics capabilities of HRBPs and other HR staff is a key priority for 2017. Increasing the analytics capabilities of staff outside formal talent analytics teams can reduce the pressure on those teams to handle all data requests coming into HR. There's certainly room for HRBPs to be better prepared to respond to ad hoc requests. Use our HRBP guide "[Delivering on Talent Analytics Initiatives](#)" to learn how to improve HRBPs' ability to support analytics as part of their job.

Figure 1: Activities Performed by Talent Analytics Staff

Percentage of Organizations



Source: CEB 2016 Future of Talent Analytics Survey.

Figure 2: High-Priority or Essential Projects for 2017

Percentage of Heads of Talent Analytics



Source: CEB 2016 Future of Talent Analytics Survey.

Organizations can also reduce the pressure to respond to all data requests by formally requiring that centers of excellence (COEs) report their own data. Straightforward requests for recruiting, compensation, or performance data don't have to go through the Talent Analytics function; HR leaders should assign formal responsibilities for these requests to the COEs to more fairly distribute the reporting burden.

Finally, several organizations are creating a separate HR reporting function. This structure frees up Talent Analytics to focus on more strategic data initiatives.

3. Revisit Leader Priorities Before Initiating New Analytics Projects

A common mistake talent analytics professionals make is to ask what the "right" metrics to track, models to build, or projects to work on are. But there are no right answers that apply to all organizations. Talent Analytics leaders need to understand the business's needs to identify the most important projects. Organizations' differing needs have led to a wide range of projects that Talent Analytics organizations see as critical priorities for 2017 (Figure 2).

Find out not only what your leaders' critical issues are but also how to prioritize those issues. Use these resources to establish guidelines for prioritizing projects:

- [Gap Inc.'s Analytics Prioritization Principles](#)—a profile detailing how Gap identified the list of talent metrics most important to prioritize given the organization's strategic priorities
- [Business Leader Strategic Interview](#)—an interview guide to help identify business unit strategy and to gather input from line leaders for your own strategic plan
- [Novo Nordisk's Business-Driven HR Analytics](#)—a profile explaining how Novo Nordisk creates line of sight between strategic objectives and HR metrics

4. Find a Seat at the Table for Major HR Technology Purchases

As organizations increasingly rely on Talent Analytics functions to provide business-critical insights from talent data, the importance of the systems housing and linking the data grows substantially. Talent analytics' success or failure often depends on how well the systems holding and connecting people data share, integrate, analyze, and visualize information from different sources. But despite the growing importance of HR technologies to the success of the talent analytics work stream, heads of Talent Analytics tend to have little influence over purchasing decisions for these technologies (Figure 3).

In fact, with the exception of technology aimed squarely at analytics functions—software specifically designed for data analysis, visualization, and reporting—less than one-quarter of talent analytics leaders significantly influence the purchase of widely used HR technologies.

The systems in question include not just the HRIS that provides the interface between HR systems and

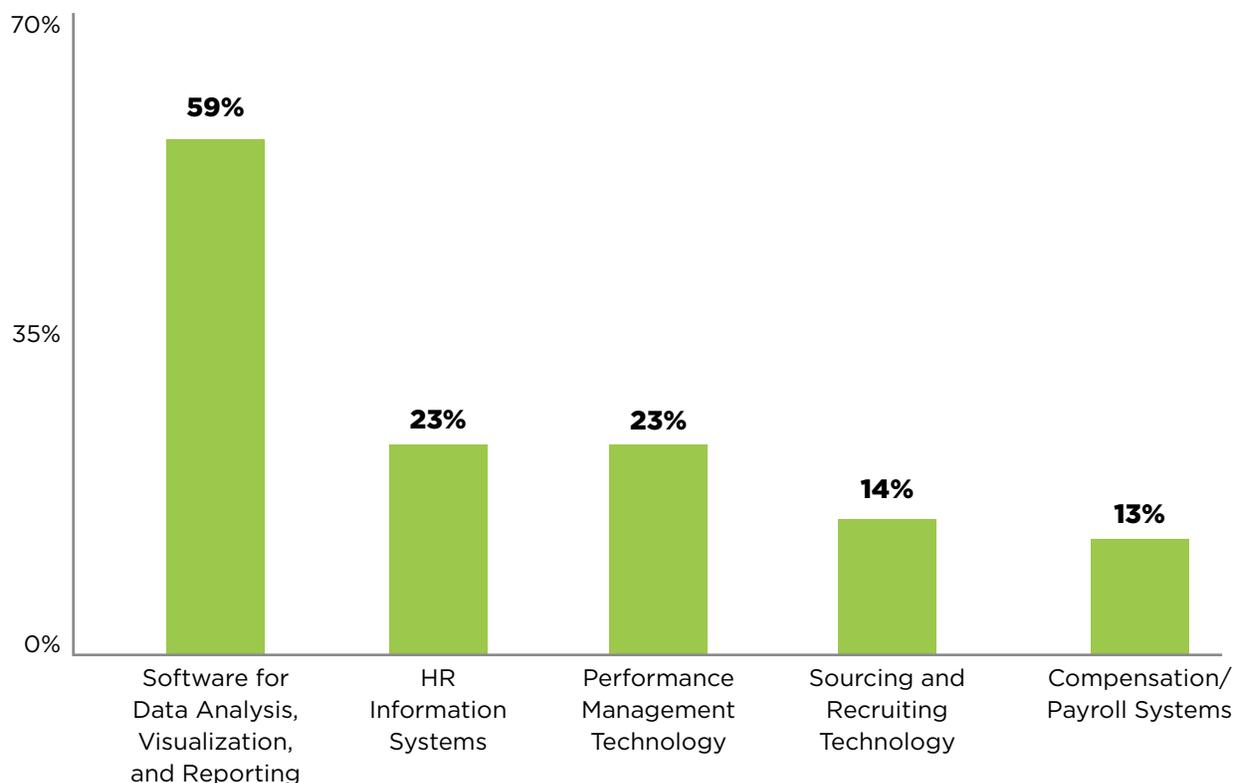
integrates data from those platforms but also other systems that collect and organize data necessary for completing the talent analytics projects most critical to the organization. These systems include packages directly related to employee performance management, recruiting, compensation and benefits, and learning and development. It's unfair to ask Talent Analytics teams to rely on systems to do their jobs that they had no say in purchasing (or customizing) to begin with.

A key imperative for 2017 for Talent Analytics heads is to get involved in HR technology decision making more broadly. Heads of Talent Analytics should start talking with their peers about what major HR technology purchases are on the horizon and provide their perspective on the requirements that would be necessary for Talent Analytics to use those new technologies most effectively.

5. Evaluate and Develop Data Visualization and Storytelling Skills Across HR

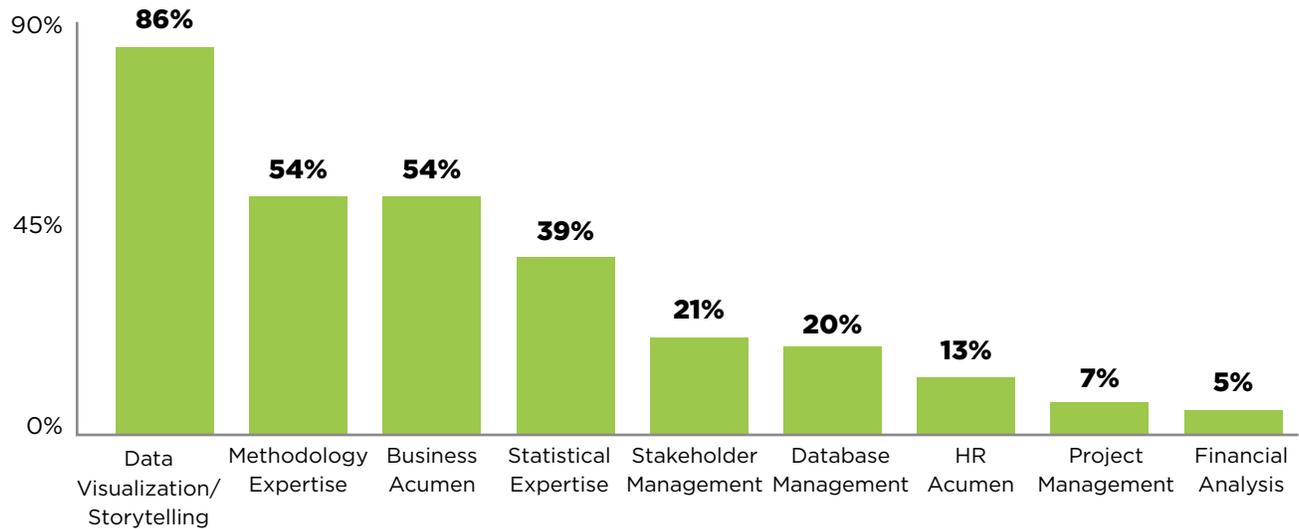
Staff costs make up nearly two-thirds of the typical Talent Analytics budget, and most organizations expect to

Figure 3: Percentage of Talent Analytics Heads with Strong Influence Over Purchasing Decisions for Different HR Technologies



Source: CEB 2016 Future of Talent Analytics Survey.

Figure 4: Percentage of Talent Analytics Heads Who Believe These Skills Will Be Most Important to the Success of Talent Analytics at Their Organizations



Source: CEB 2016 Future of Talent Analytics Survey.

increase the number of staff dedicated to talent analytics in the next three years. As the demand for talent analytics increases, HR teams need more people who can collect, analyze, and present data. Finding one individual with all the skills needed to do talent analytics is challenging, so leaders need to prioritize hiring (or developing) the skills that will most affect HR's ability to influence decision making with data.

Talent analytics leaders agree on prioritization in this area—over 80% of Heads of Talent Analytics think data visualization and storytelling skills will be the most important skills for the success of talent analytics at their organizations (Figure 4). For example, business leaders often get bombarded with data they don't know how to use and rely on talent analytics professionals or HRBPs to walk them through what the data means and what they can do with it.

So talent analytics leaders should evaluate staff's data visualization and storytelling abilities and develop those skills in staff who lack them. And these skills are important not just in the Talent Analytics function. Think about who in your HR organization will be sharing data with business leaders to support their decisions. Other HR staff, especially HRBPs, also need to be able to frame data in visuals and stories to support the line.

Conclusion

The growing demand for talent analytics support in organizations means Talent Analytics functions often risk jumping too quickly into projects without sufficient preparation to ensure those projects will succeed. Based on the most recent trends we've identified in the field, the five recommendations above ensure that your Talent Analytics function can have as positive an impact on the business in 2017 as possible.

HCL's CHRO on the Importance of Talent Analytics

An Interview with Prithvi Shergill

HCL Technologies



HCL Technologies is a leading global IT services company working with clients to impact and redefine the core of their businesses. Since its emergence on the global landscape after its IPO in 1999 and listing in 2000, HCL Technologies, along with its subsidiaries, today operates out of 32 countries and has consolidated revenue of US\$6.6 billion, for 12 months ended 30 September 2016.

For the 21st century enterprise, HCL focuses on business model transformation, underlined by innovation and value creation, offering an integrated portfolio of services including BEYONDigital™, IoT WoRKS™, Engineering Services Outsourcing, and Next-Generation ITO that focuses on integrated infrastructure services, applications services, and business services. HCL leverages DRYICE™, its third generation autonomies and orchestration platform, global network of integrated innovation labs, and global delivery capabilities to provide holistic multi-service delivery in key industry verticals including financial services, manufacturing, telecommunications, media, publishing, entertainment, retail CPG, life sciences, healthcare, oil, gas, energy, utilities, travel, transportation, logistics, and government. With 109,795 professionals from diverse nationalities, HCL Technologies focuses on creating real value for customers by taking “Relationships Beyond the Contract.”

About Prithvi Shergill

Prithvi Shergill is Chief Human Resource Officer at HCL Technologies. He partners with senior leadership to shape the business strategy, identifies human capital implications and designs and deploys people practices to enhance performance and productivity.



Prithvi has been a steward of the “ideapreneurship” culture at HCL Technologies. He ensures that policies, programs, processes, and practices put employees first and engages, enables, and empowers them to listen, collaborate, ideate, and create value for their stakeholders. Prithvi works with the Board to enhance organizational effectiveness and efficiency in execution and align the people agenda and service delivery to the business strategy to maximize our competitiveness in the marketplace.

Every quarter we interview HR leaders about talent analytics to gain their perspectives on issues facing them and their teams. This quarter we spoke with Prithvi Shergill about his approach to building a talent analytics function at HCL.

What was the starting point for your talent analytics journey at HCL?

PRITHVI: When I joined HCL in 2012, establishing a talent analytics team was not my initial top priority. But getting an HR report meant being handed 300 pages of data at the end of every quarter. I had always considered shutting off all HR reporting to see what would happen, but in prior companies, I didn't have the courage to do so. So, when I had the chance to try it at HCL, we did. And, as I expected, nobody cared!

That story shows how little HR reporting can contribute to decisions. Did you turn reporting back on, or what did you decide to do with the time and resources you freed up?

PRITHVI: Ensuring appropriate reporting was essential to meet compliance requirements and ensure decision support, but I moved it from being done by different HR teams to one central team, which now creates a single monthly report. We now have six to eight people working on reporting, and three more focused on talent analytics. With the introduction of enhanced publishing platforms, we will see more of the reporting staff directed to work on analytics.

How did you staff this team? I imagine it isn't easy to find talent that combines HR with data expertise.

PRITHVI: That's true. There is a huge gap in the market for people with analytics and functional capability, so we mainly build our talent. This approach can be difficult because HR people aren't comfortable with statistical models. I sent 12 HR people on a business analytics course, and seven dropped out! You have to either find analytics people and move them into HR (in our case, we hired them straight out of analytics programs being delivered at universities) or find functional experts who understand and like numbers and statistics.

What do you see as the main objective of this team?

PRITHVI: Our goal is to define all HR priorities based on predictive data models or solid cause-and-effect analysis instead of on gut instinct or conventional approaches. This team is central to making that goal happen.

The lack of clean HR data is the biggest barrier to using talent analytics. So first, the team set out to clean it up. They clearly identified which data sources were reliable and got the systems to talk to each other to improve our reporting. After that, they honed in on the organization's pain points to focus their analytics projects to prescribe which actions we should take. Attrition is a challenge in our industry, so that's where we started. After that came workforce operations to improve our utilization and recruiting fulfillment rates by enhancing the quality of workforce planning.

"In 2012 and 2013, we were very much focused on transforming our processes and structure; in 2014 and 2015, we were dedicated to setting up our technology; and now, we are looking at how we can increase social collaboration around how decisions are made that impact collective performance of our employees by enhancing usage of the processes in place and adopting the technology platforms we have."

We are working with an external partner to build Pi, a "people intelligence" analytics framework to sit on top of the systems we use, such as Kenexa for recruiting management or SuccessFactors for HR process enablement. This helps us translate the information in our data into insights.

In 2012 and 2013, we were very much focused on transforming our processes and structure; in 2014 and 2015, we were dedicated to setting up our technology; and now, we are looking at how we can increase social collaboration around how decisions are made that impact collective performance of our employees by enhancing usage of the processes in place and adopting the technology platforms we have.

Can you give us an example of what you mean by social collaboration around decisions?

PRITHVI: Let us take an example of curriculum redesign—what training does a technical architect need and what

professional and technical skills does he need in which context? In the past, a few experts would sequester themselves to put a training curriculum together. Now we ensure they look at data around what skills employees in these roles have and how, where, and when they picked them up. This visibility helps them replicate this in the design and gives employees considering this role as a future career an intelligent learning path. We are excited to upgrade our career management applications with this insight in late 2016.

We apply the same thinking to career management. Career Connect helps employees crowdsource career paths by finding mentors to seek advice from. We have collected a lot of data through our Career Connect portal, [which CEB profiled in 2015](#). Now, using the data that gave us, we use Pi, our prescriptive analytics framework, to share career paths crowdsourced as leading to success based on decisions made by employees who made such career moves in the past. If an employee wants more in-depth information, they can still go to suggested mentors and ask.

How do you encourage employees to actually use this information?

PRITHVI: My goal is to make career management as easy as typing a question into Google and getting an answer. A consumer-centric mind-set has to inform how we design HR practices. Our millennial workforce expects us to make their lives easier by being employee/receiver-centric. They would rather use an app, not refer to a 20-page career development guidebook.

“I believe that happier people are more productive and innovative. We have started to identify what makes different people happy, and I want to get to a place where a manager receives this information specific to his or her direct report whenever this employee enters the office! This will support better conversations around development, opportunities, and recognition and will create distinctive experiences.”

Take our real-time learning environment: we mine résumés to answer employees’ questions around the skills others have needed in the past on a certain type of project and curate a learning menu of courses for them to consider as they work to build them. This speeds up performance quality.

Now, if we make it easy for employees, I also expect them to take control of their careers and development and not outsource it to their manager or HR. I don’t want HR to chase employees to manage their careers. We need to figure out when to push our technology, but I want to balance this with proactive pull from employees.

This vision for improving the employee experience is fascinating. Let’s step back to how you make this happen in practice: it sounds as if your team accesses data from many different sources. How does it work with your business analytics function or other data-focused teams?

PRITHVI: For the attrition prediction model, we borrowed tools from the customer analytics organization. We also have a large and fast-growing Business Insights (BI) analytics practice for our clients. They helped us with some models around engagement, and in the beginning they gave us access to SPSS and other tools. Now we tend to use them as subject matter experts for advice and for quality reviews. It’s an informal partnership—the teams know each other. We rely on them for coaching, and the BI team uses our talent analytics work as use cases with potential clients.

You’ve set yourself ambitious goals and you’ve achieved so much already. What’s next?

PRITHVI: I believe that happier people are more productive and innovative. We have started to identify what makes different people happy, and I want to get to a place where a manager receives this information specific to his or her direct report whenever this employee enters the office! This will support better conversations around development, opportunities, and recognition and will create distinctive experiences.

The credibility of a direct line manager is higher than that of an HR person. Technology gives us the tools to make the manager’s job easier. Instead of having to consult different systems or people to get the information they need, we’ll push it to them in real time so we can make HR operations redundant and truly move the HR professional to be a career concierge for our people!

This interview has been edited for brevity and clarity.

Innovative Analytics Projects at HCL Technologies

HCL has developed several predictive projects that align with the employee life cycle.

Job Offer Acceptance: The Renege program enables HCL to predict who would accept a job offer by looking at candidates' technical and functional skills and employer of choice leanings, saving time and resources.

L&D Course Development for Future Business Need: HCL fills 70% of open jobs internally through reskilling, and analytics helps the company understand which populations it needs to up- or reskill. For example, the talent analytics team takes historical data such as the amount of revenue coming from android jobs, how many of these jobs were created in the past year, and how these were filled. It then combines this information with the current project pipeline to tell the L&D team whether it is providing the right training courses now and for the future.

Attrition Prediction: HCL's attrition prediction model uses 40 variables in 5 parameters to predict who will stay at HCL: employee demographics (e.g., age, tenure), performance (e.g., performance ratings), team environment (e.g., manager quality, attrition in team), external environment (e.g., salary gap to market, demand for skill sets), and employee behavior (e.g., technological behavior patterns). Learn more about the development of this model in CEB's upcoming case profile.

Gender Diversity Forecasting Model: HCL has developed a predictive model to alert the company if its gender diversity mix is in danger of dipping in certain parts of the business or for different accounts or projects. The model looks at the people joining different service lines at different levels and applies current and historical trends in the business and at the skills level. HR uses this data to focus retention efforts or refocus hiring pipelines.

Seven Lessons for Impactful Leader Analytics

By Allison Yost and Justin Raines
CEB's Talent Management Labs

From top-level executives providing strategic direction to frontline managers guiding employees' day-to-day work, leaders help their companies keep up with the changing business environment and avoid becoming obsolete.

Leaders today, however, face mounting challenges, including an increasingly complex work setting and pressure to deliver more with less. Only one-third of leaders are adapting quickly enough to hit their business and strategic goals. As a result, organizations are faced with lost opportunities and significant organizational drag.

Progressive organizations are turning to a new era of leader analytics to gain critical information about their leaders and create data-driven insights that enable them to succeed in this challenging environment. Leaders in organizations that fail to grow their leader analytics maturity will, in effect, be flying blind and steer off course.

What Is Leader Analytics?

Leader analytics is a systematic, data-driven approach for identifying the drivers and outcomes of effective leadership. When properly implemented, it produces valuable insights for leader recruitment, selection, management, development, and placement.

Leader analytics has three core objectives: increased awareness, enhanced preparedness, and better decision making, all of which contribute to increased organizational agility and performance.

Increased Awareness: What's currently happening, and how have things changed?

A fundamental component of any leader analytics program is summarizing what has happened or is currently happening in the organization. This type of information increases understanding and awareness of leadership strengths and weaknesses throughout the firm. Descriptive analyses such as counts, percentages and averages, are often presented in reports and dashboards. Competency gap analyses, employee engagement scores, and turnover rates are also examples of metrics that can be used to better understand how leaders have performed over time.

Enhanced Preparedness: What will happen in the future?

Leader analytics can also be used to forecast the likelihood of future events or conditions. Typically known as predictive analytics, organizations estimate what could happen in the future based on models of existing data. Estimating turnover risk for segments or groups of employees, for example, can help organizations anticipate and prepare for disruptive departures. Time series, regression analyses, and machine learning are all examples of models that organizations can use to increase their readiness and flexibility for future events.

Better Decision Making: What should we do differently?

Leader analytics creates the most long-term value for organizations when insights are used to improve leadership strategy, planning, and decision making. Prescriptive analytics seeks to identify the root causes of leader outcomes in a way that is easy to interpret and act on. Prescriptive analytics uses hypothesis testing, experimental

Levels of Leadership Context



Examples of Leadership Context

Role

- Job Characteristics
- Psychological Characteristics

Team

- Team Structure
- Team Climate

Organization

- Organizational Structure
- Business Priorities

External Environment

- Country
- Industry

Source: CEB analysis.

designs, and causal modeling to understand the relationships between drivers and outcomes. Decision makers can then use these results to develop a roadmap for improving organizational outcomes. The best applications of prescriptive analytics also incorporate feedback loops to improve decision models over time.

Lessons Learned from Leader Analytics Projects

Over the past 20 years, we have interviewed hundreds of CEOs and assessed thousands of leaders. This year we've studied more than 8,000 leaders from over 85 companies around the world in a variety of industries. Our access to leaders and data affords us the unique opportunity to apply leader analytics to many organizations. Based on this experience, we've identified seven ways to get the most out of your leader analytics program regardless of whether you focus on increasing awareness, enhancing preparedness, or making better decisions.

1. Analyze leadership in context.

Leadership context—the specific characteristics of the leader's work environment (e.g., role, team, organization, market factors)—substantially affects the drivers and outcomes of leader effectiveness. Our research has identified numerous context factors that operate in and across departments. These factors dramatically influence effective leaders' traits and behaviors as well as leadership's effect on the organization. Taking context into account enables you to develop more useful models and recommendations, tailored to the specific needs of your organization. Use the framework to the left to consider the potential context factors that can influence leadership at your organization.

✓ Do

- Use a multilevel framework to identify important context factors that influence your leaders, including the psychological environment (e.g., perceptions of

uncertainty, pressure, change) and structural setting (e.g., region, function, level).

- Identify context factors captured through existing data first, such as region, business unit, and function, and then, if necessary, collect additional data to better understand your leadership context.
- Test and develop models for leader selection, high-potential identification, leader development, and succession planning in different types of contexts.
- Build interactive dashboards to allow decision makers to visualize the effect of context and determine what's most important for the groups they oversee.

✘ Don't

- Assume a completely different model is needed for each department or business unit; test and examine general trends and models as well.
- Create separate reports for different segments manually. It's worth the effort up front to take advantage of the growing world of data visualization tools.

Case in Point: We measure leadership context by asking leaders, their supervisors, and their direct reports questions about the characteristics of their industry, organization, team, and role. One of our analytics projects examines whether the effects of different personality traits and experiences on a leader's effectiveness depend on his or her context. In general, we find that environmental (e.g., market volatility) and organizational (e.g., centralization) contexts more strongly affect senior leaders and executives, whereas team (e.g., interdependence) and role (e.g., uncertainty) factors appear to be more important for mid- and lower-level leaders.

2. Link leader data from many sources. A sound investment for any organization is to develop infrastructure that facilitates analysis of data combined from different HR datasets, including applicant tracking systems, quality-of-hire and employee-engagement surveys, HRIS data, and performance appraisals. The best companies also link HR data to financial performance and customer satisfaction metrics. The ability to conduct studies across databases is especially critical for leader analytics given that leaders influence many organizational metrics.

✔ Do

- Meet with IT to learn about existing databases and partner with them to build an infrastructure that links key data points across datasets.
- Ensure your team has someone proficient in working with databases via SQL or other programming languages.
- Meet with the owners of the data sources you plan to include in your analyses to create buy-in, increase

visibility, and ensure the data is analyzed and interpreted appropriately.

✘ Don't

- Try to work alone. Other groups at your company may also be interested in merging these databases, and you'll want their support.
- Assume your team knows the best way to work with data housed by other functions.

Case in Point: We linked leaders' personality data with the performance ratings and engagement scores of their direct reports. Bringing together these three data sources afforded a more complete view of the impact of various leadership styles. For example, we found that leaders who were conscientious, detail oriented, and evaluative tended to be rated as more effective. In addition, those who were more caring, optimistic, trusting, outgoing, and collaborative tended to have more engaged teams. These insights would not have been possible without linking leader profiles to performance and engagement data.

3. Focus on multiple performance metrics. Incorporate different types of performance metrics whenever possible to increase the power of your leader analytics. Examples include ratings of leader performance, employee attrition rates, return on assets, cost savings, and customer satisfaction. Assessing multiple metrics helps address different stakeholders' questions, enables better-informed decision making, and gives organizations the opportunity to proactively address gaps or potential issues.

✔ Do

- Engage stakeholders to understand what performance metrics matter most to them.
- Develop a visual model of different performance metrics at your organization.
- Collect the data necessary to measure important business outcomes such as cost savings, increases in profits, and decreases in attrition.
- Analyze relationships between performance metrics at multiple levels (e.g., leader, team, business unit).
- Set reasonable expectations for stakeholders. Communicate that leaders influence some metrics more easily (e.g., customer satisfaction) than others (e.g., profit growth) and leadership initiatives may not affect some business metrics until a certain length of time has passed.

✘ Don't

- Assume you need to have all performance metrics of interest in the same study.
- Be misled by the size of the effect; small effects can greatly impact the organization.

Case in Point: In addition to collecting data on leader performance, we also measured team performance, engagement, turnover risk, and financial performance. Our analyses uncovered that in addition to being more productive, leaders who bring in resources and make connections throughout the organization have higher-performing teams that are more engaged and less likely to leave. This “network performance” is, in turn, related to revenue and net profit growth.

4. Analyze data from more than one perspective.

Supervisors, peers, and direct reports have different interactions with leaders, often seeing different behaviors. Gathering multiple points of view can help paint a more accurate picture of each leader’s strengths and weaknesses while also providing key information about how well they build and leverage relationships with colleagues. Ignoring other perspectives can contribute to biased insights and narrow recommendations.

✓ Do

- Use 360-degree assessments and surveys for collecting data on context, leader competencies, behaviors, and performance.
- Collect “parallel” data by testing the same questions with different respondents. Evaluate responses for differences across perspectives before gathering the rest.
- Ask a few open-ended questions. Text data is a rich source of information, and recent advances in natural language processing can transform responses into quantitative data for further analysis.

✗ Don’t

- Assume that discrepancies among raters are errors or indicate bias. Discrepancies can provide useful information and may reflect differences in perspectives.
- Solely rely on scores averaged across raters. The multiple ratings are interesting because they represent different perspectives. Variability in ratings can also be useful information.

Case in Point: Our research reveals that supervisor and direct report evaluations of leader behaviors are only moderately correlated, indicating that they see different sides of the leader. In addition, different leader behaviors predict supervisor and direct report ratings of effectiveness. For example, holding others accountable and driving results are stronger predictors for supervisor ratings, whereas creating a supportive climate and demonstrating integrity when interacting with others are stronger predictors of direct report ratings.

5. Adopt a long-range view. Change is constant, leadership demands evolve, and leaders’ impact can take time to

unfold. As such, leader analytics is most effective as an ongoing process rather than a “one-and-done” project. In addition to uncovering the true impact of specific events, monitoring changes in the requirements of leaders help organizations become more agile.

✓ Do

- Incorporate longitudinal designs wherever possible to examine near- and long-term outcomes of leadership.
- Analyze changes in work context, leader requirements, and performance trends.
- Invest in database infrastructure that allows your data to be updated regularly (and automatically), and program automatic updates for reports to help identify emerging trends.

✗ Don’t

- Form final conclusions from a single snapshot of limited data.
- Rely too heavily on data collected as part of a specific study.

Case in Point: One aim of this year’s leadership study was to identify career-derailing leadership behaviors. We collected data on the leaders’ behaviors and manager ratings of their derailment risk. Although this cross-sectional design allowed us to identify the behaviors related to derailment risk, we also needed to predict actual derailment. To accomplish this, we are gathering more data from companies that participated in the study at least 12 months ago on the actual derailment of their leaders. This design will allow us to pinpoint the behaviors that are most destructive.

Realizing the Value of Leader Analytics

Incorporating these five principles will help increase the quality and relevance of your efforts to analyze and understand leadership. But simply performing leader analytics isn’t enough to realize its full value. In the words of Thomas Edison, “The value of an idea lies in the using of it.” In addition to developing the insights, you’ll need to find a way to motivate decision makers to use this information when making key leadership and business decisions. This point is so essential to increasing the impact of leader analytics that we’ve included two additional lessons to keep in mind.

6. Deepen your understanding of business needs. Because senior leaders are both the consumers and subjects of your analysis, it’s critical to look at problems from their perspective. Rather than starting with the data you have and looking for statistical evidence that may or may not interest the business, seek first to understand your leaders’ most pressing leadership questions. The following strategies will help you develop their buy-in as stakeholders in your analytics:

- Ask senior leaders about their current leadership challenges and what they expect to face in the future.
- Develop a better understanding of the bottom-line metrics different leaders are working to manage and improve.
- Build relationships with senior HR leaders and data owners as well as leaders outside HR.
- Involve senior leaders in interpreting findings; they may know of other factors that could explain your results.
- Empower senior leaders to explore your analyses by building interactive dashboards instead of static reports.

7. Focus on business application. Understanding leaders' business needs is necessary but not sufficient for producing impactful leader analytics; the insights also need to translate into action. Organizations that focus on analytic impact—the extent to which analysis improves decisions and provides actionable support to key stakeholders—improve key talent outcomes by an average of 12% over the typical organization. To increase the impact of leader analytics, work with stakeholders to do the following:

- Ensure analytics are aligned with key business goals.
- Select metrics to include in your analyses based on their relevance and credibility.
- Communicate insights in a clear and engaging way. Use simple visuals and storytelling as much as possible.
- Follow up on and keep track of actions taken throughout the organization as a result of the analytics. This follow up will ensure that people use and are reminded of the value of your analytic insights.

These seven lessons provide a roadmap for creating a leader analytics approach that produces relevant, actionable insights that matter for your company. Regardless of whether your objective is to increase awareness, enhance preparedness, or make better decisions, incorporating these principles will increase the likelihood that decision makers will use data-driven insights to improve the quality of leadership at all levels of your organization.

About CEB Talent Management Labs

This article is contributed by our Talent Management Labs, a team dedicated to helping CEB and its customers lead the analytic transformation of talent management. The Labs' scientists conduct research to ensure our talent management products and services are built using the most advanced thinking from a broad range of established and emerging disciplines.

For more information on CEB or the Talent Management Labs, please contact TalentAnalyticsHelp@cebglobal.com.



Philips's Cross-Functional Talent Analytics Project Teams

By Blakeley Hartfelder

Focusing on the value of using talent analytics to inform strategic HR and business decisions, most organizations we speak to plan to build teams dedicated to talent analytics.

In fact, 72% of organizations plan to increase the number of staff dedicated to talent analytics in the next three years. However, staffing such a team can be challenging. Many of the critical skills needed are hard to find in the labor market, making them expensive to attain, and skill needs also often vary significantly across project life cycles and project types (Figure 1).

Faced with these needs and hindered by small budgets, talent analytics leaders often find themselves asking: how do I staff my talent analytics team cost-effectively and efficiently?

An Answer to the Talent Analytics Staffing Challenge from Philips

To address this question, Philips creates cross-functional project teams that take advantage of expertise from groups both inside and outside HR, building a flexible talent analytics capability without adding substantial head count or cost.

Figure 1: Sample Skills Needed for Talent Analytics

Talent Analytics Project Task	Skills Needed
Set Up and Manage the Project	<ul style="list-style-type: none">• Project management• Stakeholder management
Collect and Analyze Data	<ul style="list-style-type: none">• Database management• Analytic research process management• Statistical expertise
Present Data and Make Recommendations	<ul style="list-style-type: none">• Business analysis• HR process acumen• Storytelling

For Philips, cross-functional talent analytics teams have four primary parts (Figure 2):

- **Core Talent Analytics Team**—The four members of Philips's core talent analytics team staff each project, providing the skills needed to set project direction, establish the research process, and ensure efficient project completion.

- **A Partner from Philips's Central Enterprise Information Management (EIM) Team**—Each project team includes a member of EIM (a central information and analytics group) to provide statistical and analytical support.
- **HR Center of Excellence (COE) Partners and HR Business Partners (HRBPs)**—Several HR COE partners and HRBPs join each project team to provide HR expertise based on the project topic and additional business analysis.
- **A Business Owner**—Each project team also has a business owner from the business unit requesting (or most closely affected by) the project to provide feedback and help develop solutions.

From Idea to Implementation: Making Cross-Functional Teams Work

To make cross-functional talent analytics teams successful, Philips had to answer several important questions:

Key Question—How do I decide which skills should be acquired for the core talent analytics team and which should be provided by other functions?

Solution—Analyze how critical each skill is to talent analytics project execution and where each skill is available (Figure 3). Philips asked questions to determine each skill's availability and criticality, including the following:

- Will this skill be needed for all talent analytics projects?
- Will it be critical to have the same person provide this skill for all projects?
- Will this skill be critical to managing, not just executing, analytics projects?
- Does this skill exist elsewhere in the company?

Philips was then able to make informed decisions about where and how to access the skills efficiently.

Figure 2: Philips's Cross-Functional Project Team Model



Source: Philips; CEB analysis.

Philips acquired skills needed for all talent projects and essential for project management, not just execution, to build a core talent analytics team. The company “borrowed” all other skills internally or externally (outsourcing the skill or partnering with a university or research group for a skill), depending on availability.

Key Question—How do I help other business leaders see the value of providing their teams’ time for talent analytics projects?

Solution—Create your talent analytics strategy in partnership with leaders from throughout your organization, and prioritize projects based on business impact. Philips helped leaders realize the benefit of contributing staff to talent analytics projects by giving them a role in creating the mission and strategy for talent analytics.

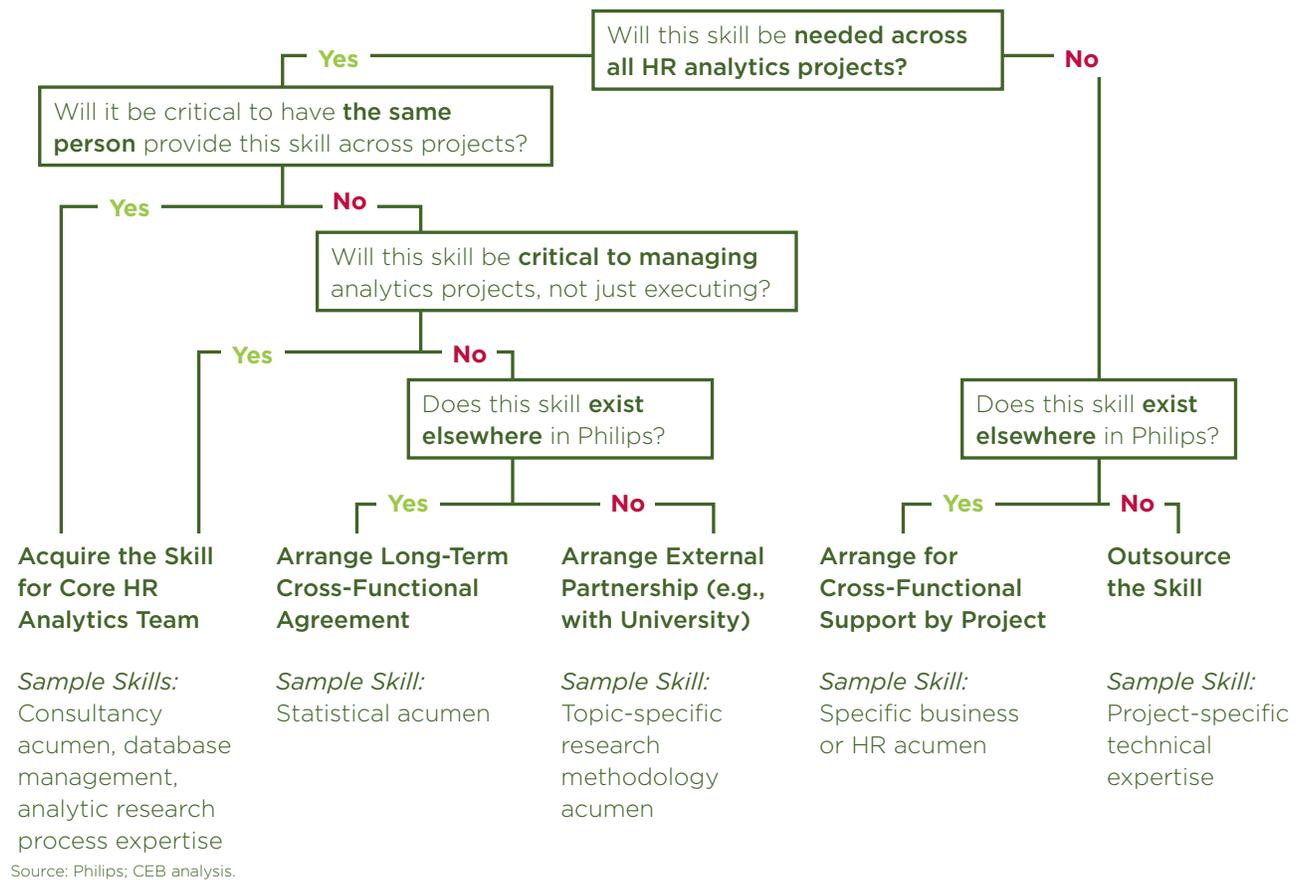
Philips invited key business leaders to participate in a workshop to collectively build the talent analytics strategy. They discussed what each leader wanted from talent analytics and how the group could work together to improve the business through talent analytics. By having

this early opportunity to shape the talent analytics mission and process, business leaders quickly realized the overall value of talent analytics and partnering on key projects.

In addition, when setting priorities, Philips’s talent analytics team selected projects that addressed key people and business challenges; this step ensured their work aligned with overall business priorities that were important to all members of the cross-functional team. The team only pursued projects that would clearly affect business results and had full commitment from senior leadership in the business and HR. Consider the following criteria when evaluating a talent analytics project:

- Is the project aligned with strategic business priorities?
- Will the project be scalable throughout the business?
- Will the project help business leaders identify a risk or opportunity or make a critical decision?
- Will there be a quantifiable impact in business terms for completing this project?
- Is the business leader proposing the project willing to own it?

Figure 3: HR Analytics Staffing Model Decision Tree





Key Question—Given the project team’s varying priorities and workflows, how do I ensure the team works well together toward the common goal?

Solution—Improve cross-functional collaboration by establishing collective team accountability for project execution and results. Philips established an end-to-end process to ensure all talent analytics project team members know how the projects will be run and what their roles and responsibilities will be.

However, Philips realized that effective execution requires not just an initial agreement on process but also a strong sense of team accountability. The company maintains that accountability through a series of group feedback sessions where the team collectively evaluates the work it has done and solves challenges. Team members hold each other accountable through honest discussion and a collective focus on next steps, not just past performance.

The discussion in each session focuses on:

- Confirming the project’s goal and ensuring team alignment to drive a more efficient conversation and ensure everyone is working toward the right goal;
- Sharing progress and interim results (both positive and challenging) to understand what work is being done;
- Discussing challenges and why they occurred to drive analysis of group, not individual, performance and fully understand challenges’ root causes; and
- Establishing next steps by identifying lessons learned and focusing on how the team can improve.

Results of a Cross-Functional Approach

Philips’s talent analytics team has already been able to improve business results with the completion of its initial analytics projects. HR and the business resoundingly support the cross-functional approach.

The team’s first project focused on how to hire, retain, and develop high-performing employees. Through discussion with business and HR leaders, team members defined the challenge and established a research plan. Then, using the analytical expertise of their EIM partners, they analyzed the characteristics that drive high employee performance and the ways in which their current group of high-performing employees was likely to evolve. The next step was determining whether these characteristics were also linked to better financial business performance across businesses or markets.

The team presented results to partners in HR and the business who discussed their implications and provided feedback. Based on these discussions, the talent analytics team was then able to develop proposals for ways to alter HR policies and practices to better attract and retain these employee types and to enable increased financial business performance.

As Nanne Brouwer, Head of HR Analytics, put it, “We know that talent analytics will continue to have a big impact on how Philips makes business decisions, and the cross-functional approach allows us to operate efficiently and effectively. It helps HR from a staffing-flexibility and data-availability perspective and ensures the projects drive real results and changes for our people.”

Partnering for Talent Analytics Success at Hershey

An Interview with Emilie Thomas and Susan Hampton

About Hershey



The Hershey Company, headquartered in Hershey, Pa., is a global confectionery leader known for bringing goodness to the world through its chocolate, sweets, mints and other great-tasting snacks. Hershey has approximately 21,000 employees around the world who work every day to deliver delicious, quality products. The company has more than 80 brands around the world that drive more than \$7.4 billion in annual revenues, including such iconic brand names as Hershey's, Reese's, Hershey's Kisses, Jolly Rancher, Ice Breakers and Brookside. Building on its core business, Hershey is expanding its portfolio to include a broader range of delicious snacks. The company remains focused on growing its presence in key international markets while continuing to extend its competitive advantage in North America.

At Hershey, goodness has always been about more than delicious products. For more than 120 years, Hershey has been committed to operating fairly, ethically and sustainably. Hershey founder, Milton Hershey, created the Milton Hershey School in 1909 and since then the company has focused on giving underserved children the skills and support they need to be successful. Today, the company continues this social purpose through 'Nourishing Minds,' a global initiative that provides basic nutrition to help children learn and grow. From neighborhoods across the United States to the streets of Shanghai and Mumbai and villages of West Africa, their goal is to nourish one million minds by 2020.

About Emilie Thomas and Susan Hampton

Emilie Thomas is Hershey's Director of HR Analytics. She is responsible for designing and implementing a people analytics strategy, progressing Hershey towards their aspirational goal of "knowing their employees as well as they know their consumers." Emilie brings a broad perspective built on her many experiences working in nearly all aspects of Hershey's business.



Susan Hampton is Hershey's Director of HR Excellence. She is responsible for the infrastructure of the HR organization, ensuring that efficient processes and contemporary technology best enable HR strategies and analytics. Susan's HR background is in talent management, particularly executive assessment and succession, performance, and development.



Together, Emilie and Susan partner to accelerate HR Analytics at Hershey. Emilie's commercial background and Susan's HR experience combine to effectively enable the Analytics team to more deeply understand employees and their motivations, while elevating the use of data and analytics within the HR function.

Every quarter we interview talent analytics leaders to gain their perspectives on issues facing them and their teams.

This quarter we spoke with Emilie Thomas & Susan Hampton of Hershey about their talent analytics structure and the importance of partnership.

To get us started, can you both please describe your roles at The Hershey Company?

EMILIE: I work as part of our Global Insights and Analytics group, leading our Advanced Analytics function, with focus ranging from our consumers to our employees. Our group strives to uncover insights to help us compete more effectively in the market and win with our talent.

SUSAN: I lead our HR Excellence organization, which includes HR technology, process improvement, HR brand and communications, and HR analytics. We focus on the infrastructure of the HR organization to optimize the delivery of core HR work.

We're particularly excited to talk with you today about the unique way you have set up talent analytics at Hershey, where talent analytics sits within Emilie's centralized group, not within HR. Could you walk us through Hershey's decision to move talent analytics out of the HR function?

SUSAN: Hershey has always placed a significant amount of emphasis on understanding our consumers, and they really are at the center of everything we do. For quite some time, our company has invested in and grown analytics capabilities in the commercial part of the business. When HR started investing in analytics a couple of years ago, those early efforts were focused on data cleansing and installing analytics technology to enable the HR organization.

Because analytics are so critical to HR, last year we chose to move the HR Analytics team out of the function and into the Commercial Advanced Analytics and Insights organization, while maintaining a dotted-line reporting relationship back into HR. The idea was to enable us to capitalize on the established methodologies, tools, and techniques already in the commercial part of the business to accelerate our progress in HR. We are unlocking insights that enable a deeper understanding of our people and inform business decisions across functions.

Our goal with this newly formed HR Analytics & Insights team is to deliver a sustainable competitive advantage through data-driven human capital decisions and to set a new paradigm for the future of HR within Hershey, as well as within other organizations.

How do you operationalize this structure? In other words, looking at the end-to-end project cycle of a given analytics project, who owns which parts of the process? Where do you collaborate most?

EMILIE: The up-front alignment is the most critical component in my opinion. Everyone needs to understand and align on the questions we're trying to answer. An analytics team can build a really robust model or mathematical algorithm, but at the end of the day if it's not answering the right question, then it was a waste of resources.

At the beginning of the year, in conjunction with the HR leadership team, we develop our annual analytics learning agenda. The objective of this learning agenda is to advance HR's strategic vision, which would encompass either proving or disproving assumptions, answering outstanding talent questions, and understanding how to best leverage data and insights to make strategic choices and trade-offs. By getting consensus early on, we're able to effectively prioritize our research objectives and align resources to deliver against the highest-value initiatives.

SUSAN: At the beginning of an analytics project, Emilie and the HR business partner scope the work with the business leaders. Emilie's team conducts the analysis and generates insights. When the team shares the outcomes, the business leader and HR partner are critical in applying context to the analysis and insights.

EMILIE: To further expand on Susan's point, I think it's very easy for an analytics team to make this an exercise about rows and columns of data. The HR professional is needed to provide meaning and make it more than just an analytics or modeling effort.

Is there anything you've done that's been particularly helpful in developing that business judgment skill set in your HR Business Partners?

SUSAN: As we look at building capability within our HR function and with our traditional HR folks, we've invested and will continue to invest in training opportunities for them. Recently, we leveraged some of CEB's analytics training, primarily focused on asking great questions and applying judgment to data science. It's a muscle we continue to build and of course, as we bring new people into the organization, we also look for a mix of professionals who bring some analytic capability with them as well.

What have the primary benefits been of this structure?

EMILIE: Although it seems relatively simple, one thing we did during this change was differentiate between reporting and analytics. Reporting stayed with Susan's function in HR Excellence, and analytics moved within the broader analytics organization. That separation gives my

team the chance to work on some higher-order business questions and move beyond simply reporting the news.

SUSAN: By having analytics as part of that broader consumer research group, we've made rapid progress in the past year. Our work has just accelerated tremendously. We have had the opportunity to apply the learnings and best practices from all those years of experience on the commercial side and really find what is relevant to apply to the workforce.

Can you give us a few examples of the lessons you were able to learn from the consumer analytics team?

EMILIE: I was surprised to see how many parallels exist between consumer research and people analytics. Whether it's how we leverage market research, design surveys, or set up and execute a research proposal, the approach is very similar, but the end goal or application may look different.

SUSAN: Since I come from the HR function, I think the biggest eye opener for me is that sometimes as HR professionals we don't realize how we have a certain lens that's become engrained over many years. So, when we normally look at our engagement survey data, as HR professionals we wonder, "What did the more experienced, tenured people in the company think? Or, what did the females think? Or, how did these different groups respond?" But then Emilie's group came to us and said, "Let's not predefine the groups—let's let the data tell us what the groups are." It was a real eye-opener for me that even when you are doing great HR work, you have to recognize and break out of your paradigm. Being able to think about things in a fundamentally different way is a huge asset to the organization.

One of the challenges we've heard from members working on larger-scale projects is getting the permission to use different datasets from different parts of the business. Would you say that's another advantage of working from that centralized analytics team—that you already have partners in those key areas?

EMILIE: Absolutely. The Hershey Company is striving to ensure connectivity across the organization, and the democratization of data is essential to make that happen. To your point, sitting in the same function makes procuring data much easier. Partnering with other functions in the business allows us to integrate and analyze traditional HR and nontraditional data in new ways to holistically answer human capital questions based on business needs and goals.

Have you encountered any major challenges in this structure? If so, how have you addressed them?

EMILIE: One of our focus areas has been to bring the entire HR organization on this analytics journey. In order

to appropriately leverage the specialized skill sets of our analytics team and realize the full potential, we need to ensure that people clearly understand the difference between reporting and analytics and know how to ask the right questions. As Susan mentioned, we're now investing in additional analytics training to build that muscle, and our leaders have set the expectation that people decisions are driven by data.

SUSAN: I think that over time our other challenge is going to be demand that outpaces supply. We're going to have to get more rigorous over time in how we prioritize what projects Emilie's team can work on and how we can manage those relationships with the business in a positive way. The organization will continue to see more and more insights that will enable them to make decisions and so, how do we manage the demand that comes after?

What are your current prioritization criteria for project intake?

EMILIE: We try to balance short-term value with long-term functional benefits. So, how are we generating some commercial wins, as well as helping accelerate the HR organization toward their North Star goals?

Can you describe what agenda is on your analytics for this year?

EMILIE: We have three primary objectives that were shared and aligned on with stakeholders at the beginning of the year.

The first one is focused on delivering against commercially relevant use cases. That may include working with our sales force or our manufacturing organization, trying to solve the critical business challenges as they relate to human capital.

The second is accelerating the HR agenda to answer questions specific to the HR function—proving or disproving existing hypotheses or uncovering new insights that help formulate HR's strategic direction.

Building sustainable capabilities is the third objective—this encompasses things like establishing a survey community of practice, building a technology infrastructure, and formulating a data strategy.

I would imagine that your partnership is critical to this structure operating successfully. Can you describe your key strategies for maintaining a strong link between HR and the analytics team?

SUSAN: You're right. I think the collaboration and partnership between Emilie and me has been absolutely critical. The reality is that we each bring a unique perspective to the work and put it together in an effective way to leverage the other person's skills and background; I think it's given us the best outcome.

Innovative Analytics Projects at Hershey's

Uncovering Sales Productivity Drivers

Project: One project we have coming up that I'm excited about pertains to our sales force. As the feet on the ground, our sales team is critical in helping grow category sales, winning market share, generating top line revenue, and forming strategic partnerships with our retailers. By understanding sales productivity drivers, we begin to uncover the link between individual and team performance and human capital.

Key Stakeholders: We're working with HR Business Partners, our chief sales officer, and the Sales Leadership Team to understand current challenges, anticipated concerns, and external threats within the sales talent landscape. The goal is to determine if an algorithmic approach can be applied to mitigate risks and result in more strategic workforce planning.

Data:

- This is an ideal use case to incorporate financial data, specifically retail sales and market data, which provides a means to isolate factors that drive productivity and link people to financial outcomes.
- In addition to our traditional first-party data, the team incorporates publicly available data into our analyses to holistically understand the labor market beyond the walls of Hershey.

Results: This project is ongoing, so it is premature to report any actionable learnings. To date, we've seen an increased level of collaboration between sales leadership and HR as they assess the strategic implications of talent challenges and opportunities facing the Sales team. The data and insights provided have set a strong foundation, further establishing HR as an indispensable advisor.

Understanding Manufacturer Attrition

Project: Significant work in the first half of the year focused on understanding the changing workforce within manufacturing operations. Manufacturing has evolved over the

past decade, and we needed to understand both how to proactively assess the attrition of plant workforce and ensure we have a sufficient pipeline of external talent to ensure seamless productions.

We asked questions such as:

- What effect does the changing workforce have on engagement and productivity?
- How can we efficiently and effectively replenish manufacturing workforce supply?
- How can we precisely predict employee departures and timing of exits?
- What is the talent landscape that will inform our hiring strategy and decisions?
- How can we align hiring standards to match external labor market supply to improve quality of hire and decrease time to fill?

Key Stakeholders: This project was a true collaboration across multiple teams, including manufacturing plant leaders, Insights-Driven Supply Chain, and HR Business Partners.

Data:

- It was important to understand the factors that influence why and when employees leave The Hershey Company. In order to identify drivers of attrition and retirement, we analyzed traditional HRIS data in conjunction with external factors such as housing prices, regional manufacturing jobs, tuition prices, and GDP. This rich suite of data allowed us to complete modeling exercises that would help us anticipate future workforce changes as well as work with business leaders to simulate various what-if scenarios.
- HRIS data isn't always available in a usable format, especially when attempting to model over a 50-year time horizon. External data is typically clean and easy to harmonize. Looking at these disparate data sources together can uncover new truths that aren't apparent when analyzing one variable at a time. Identifying the right combination of sources can save time and potentially unveil valuable insights.

Results: We now better understand the demand side within the manufacturing plants, which enables us to accurately forecast resource needs across business segments, and we can make sure we're sourcing the right talent at the right time. Additionally, this analysis helped inform our acquisition strategies— who should be our strategic sourcing partners, where we should recruit, and what vehicles we should use to attract people to Hershey.

Segmenting the Workforce Like Consumers

Project: At Hershey, our consumers are at the heart of everything we do. However, we often don't apply the same disciplined approach when looking internally at our workforce. We're now developing a research framework to uncover and analyze current and perspective Hershey employee values, needs, and motivations and understand how context and life stage influence behaviors. The objective of this research is to guide future HR offerings and investments. Much like we would within the consumer space, we want to build a demand landscape for our employee population.

Employees each have a unique set of needs that is typically dictated by a situational context that provides insight on their behaviors, motivations, and actions. Through this work, we feel we can gain a deeper understanding that will improve our employees' workplace experience.

Results: This project is a longitudinal study and will continue through 2017. In March, we initiated work to see if we can look at employee segments differently. Instead of grouping employees based on traditional attributes, such as demographics or job functions, we wanted to flip the paradigm. We leveraged employee survey data to cluster employees based on similar responses across multiple factors. We've uncovered five different segments based on situation-specific emotions that tell us about their values and motives. These insights will help us to make decisions that benefit our workforce by helping us attract and retain remarkable talent and build a compelling workplace.

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How to Work with a Chief Data Officer

By Marianne Stengel

As companies increasingly introduce the role of chief data officer, talent analytics leaders need to learn how to successfully work with them.

Four out of ten organizations have established or are currently creating a chief data officer (CDO) role. Their exact responsibilities will vary, but understanding how the CDO's (and his or her team's) skills can complement the skills of a talent analytics team will help talent analytics leaders partner effectively with CDOs to increase talent analytics' impact on business decision making.

Our analysis of over 60 recent CDO job listings shows that organizations typically want CDOs to be visionaries and key players in using internal and external data to achieve digitization objectives. Their responsibilities generally fall into two broad categories, both of which exist (although not always successfully) at most firms: data governance and business intelligence/analytics.

Responsibilities Frequently Named in CDO Job Listings

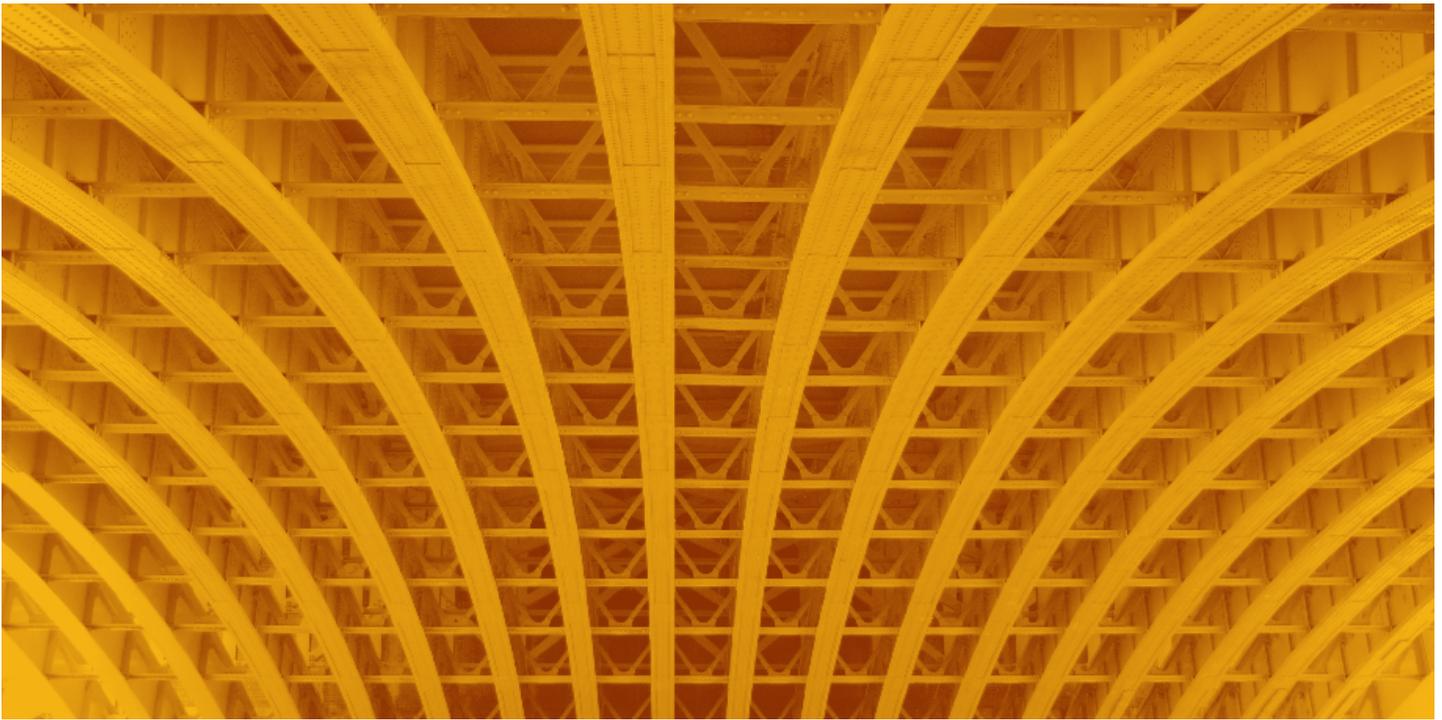
- Assume the role of evangelizer for enterprise data sharing and collaboration.
- Promote the enterprise-wide use of new data as a creative thinker.
- Establish the organization-wide big data roadmap.
- Build a data-driven DNA for the wider organization.

Given CDOs' and heads of Talent Analytics' overlapping focus on data, comparing their teams' typical skill sets will uncover opportunities for collaboration:

1. Domain and technical know-how: Talent analytics teams generally combine strong data analysis skills with HR domain understanding. The CDO's team members, on the other hand, are hired for "pure" data science work, and they bring big data expertise and advanced experience with qualitative data analysis. However, these central data experts often still have to develop their understanding of business problems.

2. Day-to-day reporting and a mandate to innovate: Talent analytics teams face conflicting demands on their time for reporting and responding to informal data requests on the one hand and supporting strategic projects on the other, making it difficult to dedicate time to innovating. Central data experts' responsibilities, however, require innovation to develop new models that synthesize data and experiment with cutting-edge technologies that advance the organization's analytics capabilities. As a result, CDO teams are generally better positioned than talent analytics teams to provide thought leadership on new data solutions.

3. Influencing and understanding data: People with an HR background have honed their influencing skills working with line managers but may not have had to apply these skills to data-based decision making.



Data experts, on the other hand, clearly understand data and its limitations, yet they often struggle to help others recognize data's potential.

These comparisons demonstrate that the CDO team can help talent analytics leaders in two key activities: enabling insight from data assets and spearheading the development of a culture of data-driven decision making.

Many organizations have recognized this opportunity, and they have chosen different ways of partnering. Companies such as Philips have formalized the relationship by creating cross-functional HR analytics teams that include a team member of the central Enterprise Information Management unit to provide statistical and analytical support (see p. 20). Other organizations rely on informal partnerships between the teams. At HCL, for example, talent analytics staff use the central Business Insights team for expert advice and quality reviews, rather than directly working on projects together.

Although methods of cooperation differ widely, best practices that enable the partnership to strategically affect the business are starting to emerge:

1. Cooperate on complex modeling tasks: Talent analytics leaders should consult the CDO on how to use HR data to its full potential by supplementing HR domain know-how with the central team's advanced technical knowledge and tools. Talent analytics staff can propose hypotheses based on deep talent management understanding to ensure the collaboration produces meaningful insights that incite action.

2. Learn about analytics innovations: Talent analytics teams should also look to the CDO group for insight on the newest analytics techniques and knowledge about what's possible with data sources and tools from other functions. Talent analytics leaders can then evaluate whether the innovations will help HR contribute to business achievements and can develop a compelling business case to further invest in analytics methodologies.

3. Partner in building an analytics culture: CDOs want to promote enterprise-wide use of new data and technology, making them a natural ally in building analytics capabilities in HR staff and line managers. Talent analytics leaders should work with the CDO to identify and tackle skill gaps in HR and to promote data understanding and collaboration. For example, companies such as Intel have developed simple guides that provide definitions for key metrics and guidance on when to use them, their limitations, etc.

Conclusion

Talent analytics teams can benefit greatly from working with a CDO or central analytics teams. Talent analytics leaders and CDOs should take advantage of their relative strengths to improve analytics' impact on business outcomes.

Five Myths About Measuring the Impact of Talent Development Programs

By John R. Mattox, II, PhD

L&D leaders and talent analytics teams struggle to drive impact with the data they collect evaluating talent development programs.

Based on work with more than 300 learning organizations over 16 years, we have identified five assumptions, or “myths,” that are holding companies back.

What are the five myths?

1. Level-one evaluation results (satisfaction measures) provide valuable information about training effectiveness.
2. Self-reported data is biased and lacks value.
3. Statistical significance testing is necessary.
4. Customized evaluations are more valuable than standardized evaluations
5. Evaluation should begin after training is deployed.

Myth 1: Satisfaction Measures Provide Valuable Information About Training Effectiveness

Level-one evaluations (from Kirkpatrick’s four levels of evaluation and Philips’s ROI methodology), or smile sheets, focus on learner reactions to a development program. They measure factors such as instructor quality, the courseware, the learning environment, and sometimes the food and lodging.

However, learner satisfaction does not translate to learning application, which is key for improving individual performance and meeting business goals. For example, although 78% of learners who had an engaging learning experience were also satisfied, only 37% applied the knowledge and skills learned.

Because learning application partially defines training effectiveness, satisfaction measures provide little to no value.

Action 1: Shift the Paradigm from Smile Sheets to SmartSheets

Organizations should move away from satisfaction questions on smile sheets and begin using higher levels of evaluation. Gather information about learning, application, individual performance, and organizational performance. These metrics provide value for the learning organization and, more importantly, for the business.

This shift is minor in terms of changing the wording or adding questions, but the impact is major. Importantly, the evaluation process remains the same: immediately after a learner completes a program, he or she should receive a survey—a SmartSheet, not a smile sheet. SmartSheets gather information for levels one to four and ROI as well as feedback about what was effective and what needs improvement.

Myth 2: Self-Reported Data Is Biased and Lacks Value

At ReimagineHR in 2015, Dr. David Rock from the Neuroleadership Institute stated, “If you have a brain, you are biased.” During the remainder of his presentation, he described ways to minimize bias, but the reality is ever present: we are biased.

Likewise, any instrument (e.g., survey, interview guide) organizations use to gather opinions (self-reported data) will be biased, despite substantial efforts to make opinion instruments unbiased.

Psychometricians measure the quality of an instrument with two measures: validity and reliability. Both have mathematical calculations, but in layman’s terms, validity is the extent to which a survey measures what it intends to measure. If a survey is designed to measure depression, it should ask questions about mood, sadness, and emotions related to depression. Reliability is the instrument’s ability to measure that one thing consistently. If the survey is given multiple times to a group of people, it should produce similar responses each time. There are several ways to measure validity and reliability and these measures represent the scientific criteria that determine if the survey is a quality measurement tool.

Sometimes stakeholders criticize self-reported data because of the bias involved. Yet those same stakeholders accept the biased results from HR’s annual engagement survey and net promoter surveys’ customer satisfaction results. Outside of business, self-reported data provides great insight for consumers who value the five-star rating system used by Yelp and Netflix to rate restaurant and movie quality. The criticism of self-reported data is justified when a survey instrument is not validated.

Action 2: Use Validated Survey Tools

Learning organizations need tools that can provide insight on programs’

impact quickly and cost-effectively. SmartSheet evaluations assess the business impact of learning in a practical, scalable process. They provide valid, reliable, timely information so stakeholders can make data-driven decisions in real time.

Organizations should use technology to distribute the surveys, collect data, analyze it, benchmark it, and report results. Having valid and reliable surveys is critical to the evaluation process because the survey tools measure what they are supposed to measure and do it consistently for all learners. Evaluation approaches that do not use valid and reliable surveys are simply gathering information—information that could be spot on or wildly off target and could point decision makers in the wrong direction.

Myth 3: Statistical Significance Testing Is Necessary

Many business leaders have been exposed to enough statistical analysis to know they should ask, “Are the results statistically significant?” The question is important and intends to divine whether the results are important enough to merit action. But statistical testing can be misleading. When using large datasets, small differences and small-magnitude relationships can yield statistically significant results with meaningless practical impact.

Action 3: Focus on Substantive or Practical Significance

First, examine the data and use good judgment to determine whether the results are meaningful—substantially different or substantially related. Second, use significance testing to confirm or deny intuitive conclusions.

Long before you examine results, the project team should agree on the definition of a meaningful difference or relationship. For example, many evaluation questions gather feedback using a five-point Likert scale where one represents strongly disagree and five represents strongly agree. One team may believe that a difference of half a point

(0.50) could be enough to take action; for another group, a difference of 0.75 is sufficient. Importantly, involve stakeholders in the discussion to help gain consensus.

In the end, be prepared to answer the question, “Is the result statistically significant?” You may respond, “No, but there was a small sample, and the large difference seems substantive.” You might respond, “Yes, but the sample size was extremely large and the difference very small. The team doesn’t think it is worth taking any action here.” As you prepare, apply a strong dose of common sense guided by statistical testing when interpreting results.

Myth 4: Customized Evaluations Are More Valuable Than Standardized Evaluations

In a corporate university, program owners often customize their training evaluation surveys to include questions about content, instructors, delivery methods, and other unique aspects of the program. Most people see this customization as a value-added step in the evaluation process.

In fact, program owners underserve their business stakeholders when they customize their evaluations. When program owners have the freedom to create their own questions for post-event evaluations, they gather valuable, specific feedback about the content and delivery approach, but they reduce their ability to compare their data to that of other courses. Customization destroys comparability.

Standardized surveys ask the same questions for every course. This standardization allows staff to analyze the data from every question for a single class (or instructor) and compare it to data for all questions for all other classes (or instructors). Staff can then aggregate the data to create benchmarks. Customized questions prevent aggregation, prevent benchmarks, and prevent meaningful comparisons in the curriculum.

Action 4: Standardize Forms and Processes

Adopt standardized survey forms based on rigorously developed surveys with established statistical validity and reliability (e.g., SmartSheets). If customized questions are needed, do not delete the core questions. Simply add the new questions in a separate section. For efficiency, limit the number of new questions.

Creating a shared vision for the value of standardization is important, and creating processes to enforce standards is essential. To achieve these goals, create a governance council that will determine the standard questions and establish processes to ensure consistency. The council can also monitor the use of forms and make exceptions as needed.

Myth 5: Evaluation Should Begin After Training Is Deployed

It seems logical that evaluation should begin after the program has been

implemented. However, evaluation is integral to each phase of training and should not be tacked on to the end.

Action 5: Begin the Evaluation Process at the Beginning

The formal evaluation process should begin in the Analyze phase of learning program development (Figure 1). To start, the team should consider how the program will be evaluated (e.g., with focus groups, in-class feedback, knowledge testing, behavioral observation, online surveys) and create a formal evaluation plan. By starting early, the team can incorporate measurement tools throughout the course, such as pre- and post-course testing, in-class knowledge checks, and behavioral checklists.

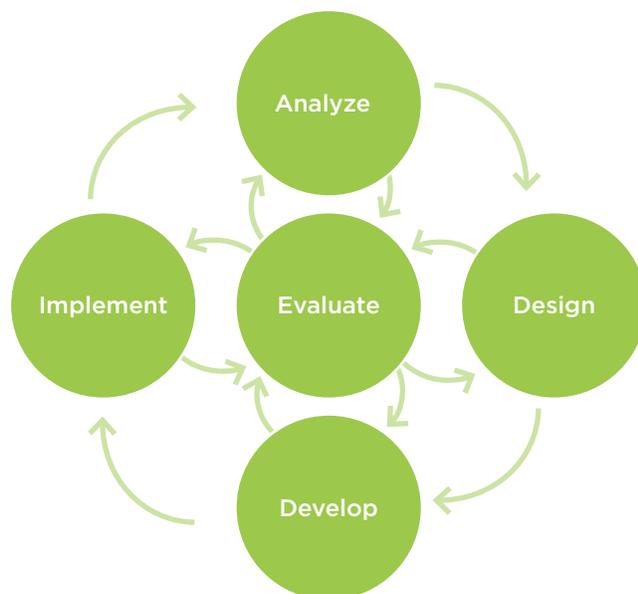
Learning groups that wait until a course has been deployed are often too late to capitalize on the timely collection of data and reporting of results. A governance council should set business rules for the evaluation tools that

will be applied based on the nature of the course. Such criteria include the learning methodology (e.g., instructor led, e-learning, virtual instructor led, conferences), class size, location, and content.

Conclusion

By debunking these five myths at your organization, you can drive action to improve data measurement. Ultimately, effective data measurement will enable your learning organization to show how its programs influence business outcomes and will help business leaders decide how to leverage L&D's powerful business influence to accomplish strategic goals.

Figure 1: A Cyclical Representation of the Training Development Model



Source: CEB analysis.

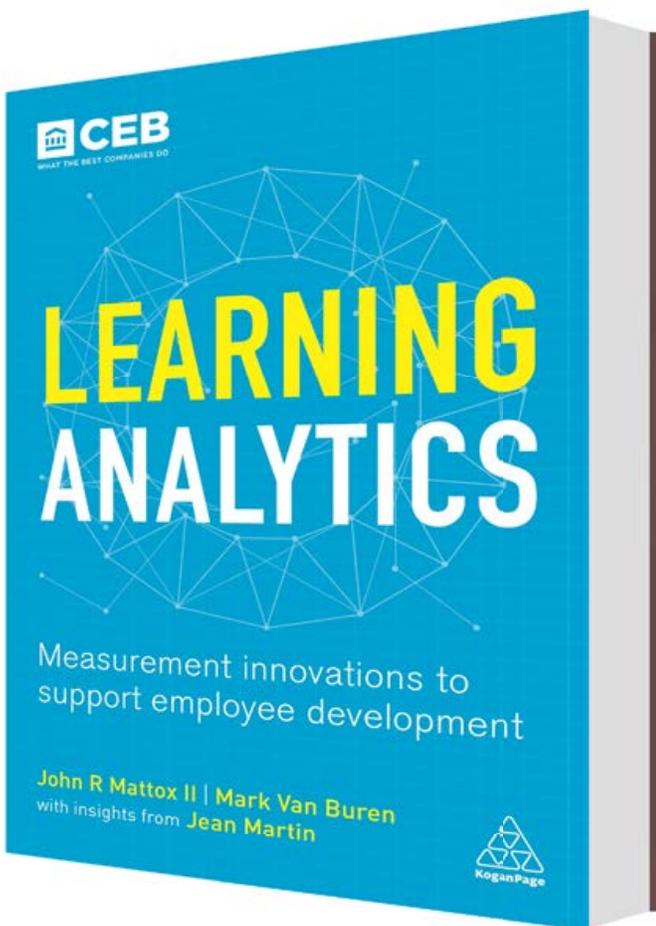
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Lessons from IT: From Big Data to Better Decisions

Three Ways to Build Data-Savvy HR Staff

By Caitlin Dutkiewicz

Big data is getting bigger by the day. And talent data, in particular, has exploded. No longer are HR staff simply considering payroll information and employee demographics; they're now also examining performance evaluations and employee engagement survey results, along with e-mail behavior and social network activity.

Yet this explosion of data hasn't translated to an increase in insight. In fact, as data has become increasingly available, HR employees have struggled to extract truly valuable meaning from it.

Our research in IT has shown that most employees rely either too heavily on their gut or too heavily on the data. This overreliance—whether on intuition or on analysis—risks producing lower-quality work and decisions (Figure 1). The best

employees apply judgment to their analysis and recognize that unquestioning faith in analysis can be as damaging as dependence on intuition. We call these employees **informed skeptics**.

Given data's increasing and expanding importance in HR, many heads of Talent Analytics are looking to build HR teams of informed skeptics, hoping to create a more thoughtful, data-driven culture.

Organizations should follow three steps to cultivate more informed skeptics in HR:

1. Coach HR to apply judgment to data.
2. Develop HR staff's analytical capabilities.
3. Encourage collaborative, data-driven decision making.

Figure 1

Risks from an overreliance on intuition:

- Unable to account for complex environments
- Highly subject to personal biases
- Hard to replicate, scale, or use to foster buy-in

Risks from an overreliance on analysis:

- May hinge on incorrect assumptions or inaccurate data
- Less adaptable to change
- Fails to account for situational context by looking at the data too narrowly

1. Coach HR to Apply Judgment to Data

Judgment is not an innate skill but a series of decision-making techniques every HR employee can apply to balance data with intuition and become an informed skeptic. Organizations should coach HR employees to not blindly trust data analysis but validate it by digging deeper, investigating sources of information, challenging assumptions and biases, and focusing on what is truly insightful and relevant to the business need.

What HR Can Do to Coach Judgment

Educate Staff on Making Data Trade-Offs: Develop guidelines to help employees stop hunting for perfect data and spend more time synthesizing information and generating insight.

Case in Point: Roche

Roche sets guidelines (Figure 2) to help employees differentiate between requests that require data precision and those that require data quickly, calling for more judgment. Employees clarify with their stakeholders up front whether their analysis will be used to support a yes-or-no decision (requiring precision) or to inform further detailed analysis (requiring judgment to provide data faster). Employees then apply the guidelines to determine the correct depth, accuracy, and effort required to complete the analysis

Build Business Acumen Through Model Iteration: Encourage employees to adopt an iterative “test-and-learn” approach

to building analytical models to diagnose true business needs and stakeholders’ desired outcomes.

Case in Point: Cognizant

Employees often start by building detailed analytical models without fully grasping the core business challenge, leading to false and unproductive starts. Cognizant guides employees to test creative hypotheses and iteratively refine the analytical model based on discussions with stakeholders. This approach helps employees avoid an unfocused information hunt, develop clear expectations of findings, and identify likely areas of productive research.

Encourage Questioning of Conventional Wisdom: Empower employees to challenge organizational assumptions and biases that may skew results of analysis.

Set an Expectation for Insight: Ask staff to design reports that go beyond data to offer easy-to-consume, relevant insight on business needs.

Case in Point: Intuit

Intuit realized insight delivery should be less about reporting facts and more about highlighting key trends and patterns. Employees at Intuit use markers to preempt lengthy debates about underlying assumptions or data sources and focus on data’s actual implications instead (Figure 3). This use of data markers on each reporting top sheet ensures each key insight connects back to the data embedded in the management reporting package.

Figure 2: Roche’s Data Trade-Off Guidelines Based on Project Purpose

Analytics Project Purpose	Analytics Project Enables a Specific Yes or No Question	Analytics Project Informs Ongoing Deliberations on a Topic
Rule of Thumb	Focus on Accuracy and Depth: Validate data and analysis quality to increase management confidence in making the decision.	Focus on Timeliness: Apply judgment to fill data gaps and provide timely analysis to stimulate management thinking.
Other Considerations	<ul style="list-style-type: none"> Financial impact Cost versus benefit of additional data/analysis Impact of inaccurate or incomplete analysis 	<ul style="list-style-type: none"> Impact of increased accuracy in achieving given purpose Time needed to collect more data or conduct more analysis Available shortcuts to gather data (e.g., by soliciting external expertise)
Sample Types of Analysis	<ul style="list-style-type: none"> Capital investment screening M&A decisions R&D portfolio rationalization 	<ul style="list-style-type: none"> Scenario planning Trend analysis Reviewing business’s strategic plans Integrating risk considerations in forecasts and plans

Source: CEB analysis.

Figure 3: Intuit's Business Unit Update: Cover Sheet

Illustrative, Presented by FP&A and Business Unit GM to the CEO

Business Unit Update (Monthly) 11.16.11

		Q2			Full Year			
		Curr. Est.	Fcst. Index	PY Index	Curr. Est.	Fcst Index	Plan Index	PY Index
Intuit Business Unit A	New Subs.	90	139	172	304	132	95	88
	Total Subs.	372	113	191	395	125	1	103
	MRR	6,673	111	195	7,540	125	2	103
	Churn %	13%	3	82	88	37%	81	95
	Partner S.	41	109	N/A	83	113	N/A	N/A
Enterprise-Wide Metrics	Net Rev.	20	100	179	79	100	4	100
	Spend \$	33	100	124	109	100	99	103
	BU Influence	(13)	100	85	(30)	100	4	97

Key Insights

- Market XYZ has become a key market of focus due to subscription contributions.
- Monthly Recurring Revenue is above forecast but at risk of a 7% decline next month due to inactive subscription base.
- Partner BBB has double contract value for Q2 but poses a risk due to 23% loss in market share.
- Business Unit is forecasted to meet full-year target but has capacity to achieve 110% with capital reallocated from Business XYZ.

Source: Intuit; CEB analysis.

2. Develop HR Staff's Analytical Capabilities

To build more informed skeptics in HR, organizations need to think beyond one-off trainings. Including data analysis and judgment competencies in performance criteria and hiring requirements will send a huge signal of analytics' value to HR employees. Similarly, updating L&D strategies to promote ongoing training will enable HR employees to continually develop their analytical skills.

What HR Can Do to Develop Analytical Capabilities

Clarify Analytical Skill Expectations: Set performance criteria that hold HR staff and managers accountable for embedding analytics into their workflows (Figure 4).

Hire Quants Who Can Coach: Hire and reward analytics staff based on their effectiveness at coaching, not just analyzing. Great coaches can manage both the quality of the work and the continuous development of HR employees.

Provide Ongoing Support for Analysis: Provide a portfolio of training offerings that supports employees throughout analytics tools' life cycles, not just one-off trainings tied to the tools' launch.

Case in Point: Tiffany & Co.

Tiffany & Co. focuses training on conducting analysis and using information, not just tool functionality. Specific examples include the following:

- Business Intelligence Days to educate groups of employees about new information, reports, dashboards, tools, and query techniques available to them
- Fifteen-minute online videos offering analytics beginners and experts easy, on-demand access to training on tools and data
- Ongoing analyst support for two months after launch of a new tool or data and designated data stewards to create custom departmental training and support

3. Encourage Collaborative, Data-Driven Decision Making

Informed skeptics question their own thinking and listen to alternative points of view without defaulting to consensus-based decisions. Employees who actively discuss their data

and insight with a peer group before reaching a conclusion make more holistically informed and effective decisions.

What HR Can Do to Encourage Collaborative, Data-Driven Decision Making

Build a Culture of Collaborative Confrontation: Create conditions in which productive peer learning and collaborative decision making is more likely to occur by establishing a safe space, setting a clear purpose, making sharing easy, and tapping social motivators for sharing.

Create new peer networks for collaboration, or capitalize on existing employee forums (e.g., town halls, road shows) to provide access to crowdsourced wisdom and alternative perspectives.

Case in Point: EMC²

EMC² organizes peer review sessions that allow employees to do dry runs for insight delivery and gather constructive feedback. Employees take on the roles of leaders and business partners to help identify presentation flaws; together they work to make real-time edits in a safe environment.

Concluding Thoughts

As more and more HR organizations look to build a data-driven culture, training HR employees is a great place to start. By developing an HR staff of informed skeptics who balance analysis with intuition, organizations can begin to extract big data's true value and insight to ultimately make better, more-informed decisions.

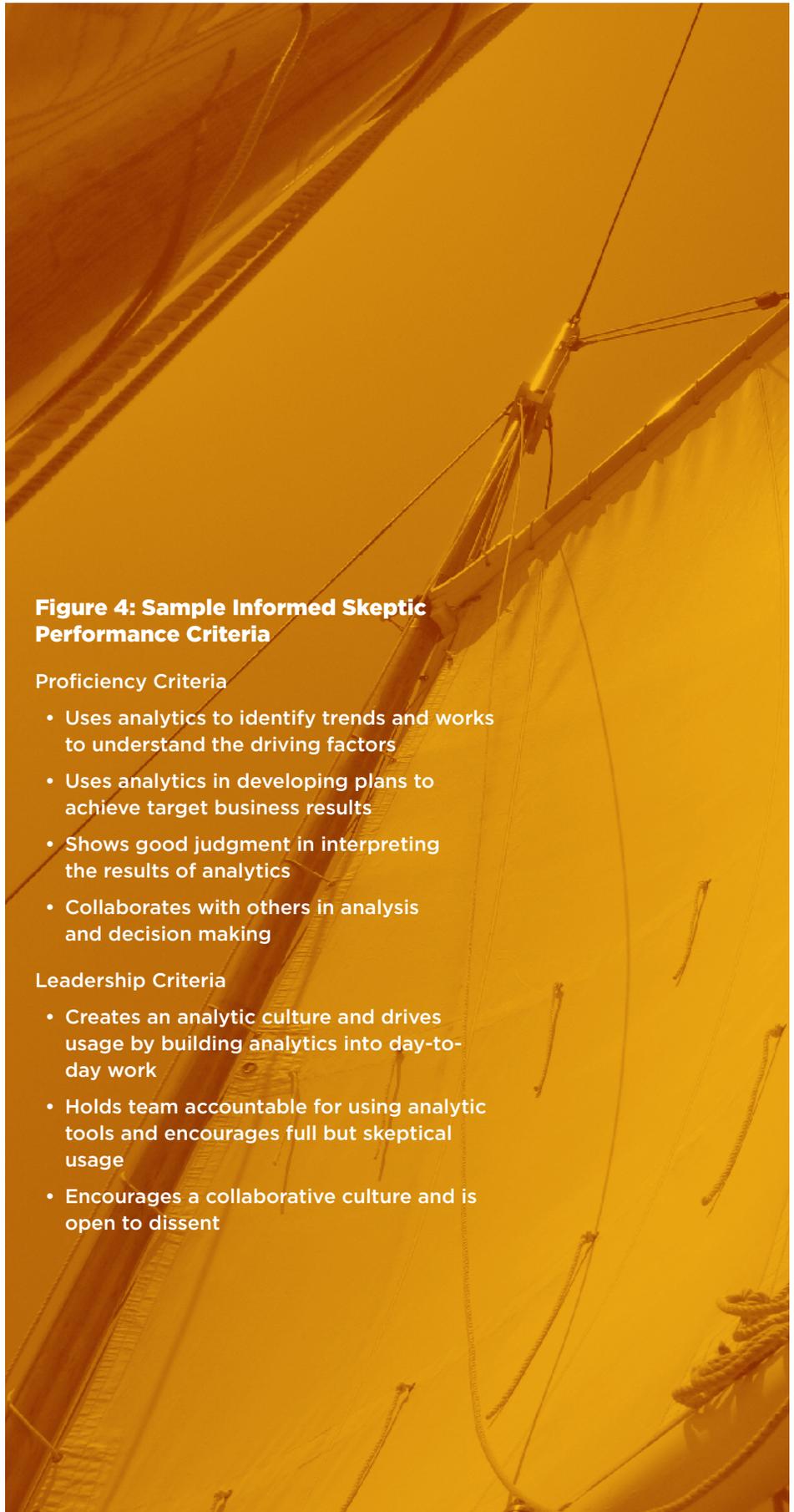


Figure 4: Sample Informed Skeptic Performance Criteria

Proficiency Criteria

- Uses analytics to identify trends and works to understand the driving factors
- Uses analytics in developing plans to achieve target business results
- Shows good judgment in interpreting the results of analytics
- Collaborates with others in analysis and decision making

Leadership Criteria

- Creates an analytic culture and drives usage by building analytics into day-to-day work
- Holds team accountable for using analytic tools and encourages full but skeptical usage
- Encourages a collaborative culture and is open to dissent



In the News

CEB's Take on What Others
Are Writing About Talent Analytics

What HR Needs to Know About Sentiment Analysis

By Marcus Chiu and originally appearing on *Talent Daily*

In the brave new world of employee monitoring technology, one of the most fascinating developments is the refinement of sentiment analysis, which promises to give employers timely and accurate data about how their employees are feeling.

Sentiment analysis originated in the market research field, where companies wanted to understand how consumers were receiving their and their competitors' products. *The Atlantic's* Kaveh Waddell gives an overview of where this technology is going:

“More recently, the corporate world has turned these same tools inward. Large companies like Accenture, Intel, IBM, and Twitter have started using the software to understand how their own employees feel about their jobs and identify problems that might escape a harried supervisor during annual-review time.”¹

Indeed, we're seeing a boom in startups and corporate analytics teams offering real-time sentiment

tracking tools as part of the digital transformation of HR. Employee engagement teams, for example, are moving away from large annual or semiannual engagement surveys that are arduous and backward looking. Tools ranging from pulse surveys and mood trackers to social network analysis and health monitoring now provide a variety of new, on-the-go sources of data for companies to better understand employee engagement. HR is transforming into a data- and tech-savvy function, but better data is not enough for HR practitioners to fully adopt these innovations.

First, in our survey and conversations with hundreds of heads of Engagement, the top challenge they have identified is not about the quality of data they have but rather about putting engagement problems on the agenda and getting leaders to do something about them. One member said data was helpful only if it served as a catalyst for action; the quality of data and analysis was secondary. That being said, the best innovations are those that don't just provide great insights but also help users chart the way forward.

Second, while natural language processors and newer technologies such as facial scanners may be getting better at accurately identifying employees' feelings from their word choices or expressions, the science connecting this data to the issues HR cares about (e.g., long-term employee engagement, intent to stay) remains murky at best. I might be frustrated at times with the work I do, but that's because I am engaged with work that challenges me, not because I want to flip my table and leave the office. That is why companies such as IBM are doing right by employees and clients by having analysts examine the trends first before submitting their findings.

The state of sentiment analysis is truly making tremendous progress, but however quickly these technologies advance, only those with concrete applications and sound science will appeal to potential users.

¹ Kaveh Waddell, “The Algorithms That Tell Bosses How Employees Are Feeling,” *The Atlantic*, 29 September 2016, http://www.theatlantic.com/technology/archive/2016/09/the-algorithms-that-tell-bosses-how-employees-feel/502064/?utm_source=feed.

ReimagineHR: Four Trends in Talent Analytics

By Chas Danner and Jonah Shepp and originally appearing on *Talent Daily*

During CEB's ReimagineHR conference in Miami in early September, several dozen talent analytics professionals discussed their common challenges and success stories.

The participants represented private, public, and international organizations ranging in size from under 1,000 to over 25,000 employees. They responded to a series of live survey questions that led to discussions on how their organizations were using new tools. The overall picture that emerged from the surveys and discussions showed great diversity in the size, structure, ownership, and goals of talent analytics programs, as organizations experiment with different ways of incorporating analytics into their HR functions.

Here are four brief takeaways from the conversation:

1. Talent analytics teams are small but growing and diversifying.

Most participants said their organization had only one or two full-time-equivalent employees devoted to talent analytics, while none had more than seven. But most organizations are growing the size of those teams, increasing the opportunity to build in a variety of different, complementary skills. Organizations are increasingly realizing that a diverse skill set is needed to realize talent analytics' full potential, from data collection through analysis, interpretation, and turning insight into action.

Participants found that the best results in building talent analytics teams come from combining the skills of technical experts such as data scientists, statisticians, actuaries, and

organizational psychologists with the talent-focused knowledge of HR Business Partners (HRBPs) who can use analytics to tell compelling stories and help leaders make better decisions.

2. The talent analytics function's shape and structure is evolving.

Only 14% of participants in the session identified themselves as heads of Talent Analytics, and only one-quarter said their organization had a dedicated analytics function. Twice as many said either dedicated analytics professionals were scattered throughout their HR department or HR staff used analytics but did not work with a dedicated function to do so. Those with analytics professionals embedded in different functional areas indicated that this disjointed approach created challenges in deciding what data to collect, bringing it together, and drawing actionable conclusions from it.

Some participants said their organizations were working to bring more infrastructure and governance to talent analytics at their organization, such as by developing a dedicated function for it. Clearly, who owns analytics and where it belongs in the organizational structure are questions many are still trying to answer.

3. Analytics is performing best in employee engagement and retention.

Thirty-five percent of participants identified engagement and retention as the area in which their talent analytics program was having the most success. The group gave several examples of successful innovations in this field, including connecting engagement data with other company data to tell new stories and develop new forms of action plans, as well

as enabling HR to see turnover data from throughout the organization in order to perform comparative analysis. Identifying retention and attrition drivers allows organizations to understand their employees' past behavior and predict future behavior, making this perhaps the most promising talent analytics venue for predictive analytics.

The next most fruitful area for analytics was in high-potential identification, leadership development, and succession planning, which 23% identified as their most successful application. Nonetheless, a plurality of 44% said their organization was ineffective overall at using talent data to inform important business decisions.

4. Drawing actionable insight from analytics is a common challenge.

Asked if there was one thing they could do to improve the overall impact of talent analytics at their organization, 32% of participants said they wanted to derive better insights from their data, and 24% wanted to get better at helping internal clients apply those insights, while 28% wanted better data to start with. Only 4% said they needed to improve analyzing the data they were collecting, reflecting organizations' growing confidence in their analytics teams' composition and technical skills.

One theme in the discussion was that leaders often get bombarded with data they don't know how to use and rely on HRBPs in particular to walk them through what the data means and what they can do with it. HR professionals can sometimes be afraid of data when it raises questions they can't answer, so it's increasingly important to train HRBPs in data fluency and storytelling and to recruit with an eye for this skill set.



Analytics Initiatives Demand Enterprise Leaders, Not C-Suite Politicians

By Blakeley Hartfelder and originally appearing on *Talent Daily*

Going over some new research on the impact analytics has had on their clients, Ernst & Young's Chris McShea, Dan Oakley, and Chris Mazzei write in the *Harvard Business Review*:

“Efforts to adopt analytics upset the balance of power in the C-suite, and this shift often had a negative impact on analytics initiatives....Since there was no natural owner of analytics within the traditional organizational structure, multiple executives competed hard to own the new capability. While not every C-suite member wanted to manage such a high-stakes opportunity, the most powerful members were eager to oversee an influential new pool of talent and command more time on the board's agenda. With the exception of the ‘winner,’ a feeling of vulnerability settled over the other executive team members when the analysis conducted by the analytics group revealed inefficiencies and missed opportunities in their respective functions.”¹

The authors suggest that a C-suite leader owning the analytics function can create tension among the highest executives and decrease the function's efficiency. This challenge illustrates the need for enterprise leaders.

Analytics cannot and should not be owned by just one business leader or function. In HR, talent analytics leaders rely on other functions for data (because merging data from functions provides more valuable insights than data from any single function can) and for knowledge sharing and best practices. For instance, Finance and Marketing started their analytics journeys years ago, so HR doesn't have to reinvent the wheel when setting up a function. These features of the analytics function explain the push for enterprise-wide analytics projects that entail some kind of centralization of all an organization's data.

Yes, that centralization can create ambiguity about who owns the project and cause individual leaders to experience a loss of power or control, but those effects are hardly unique to analytics. Due to constant change, networks' increasing importance, and other recent transformations in how businesses operate, many leaders feel

they no longer have as much control as they used to, which they think they need in order to do their jobs well. However, leaders need to shift this mind-set for organizations (and their analytics initiatives) to succeed.

Leaders: why waste your time on interdepartmental politics when you could be working together to make your business run better? You probably have expertise to lend to an analytics initiative, so contribute. Share the responsibility and the success. Of course, this is easier said than done, but analytics—a defined initiative with plenty of opportunity for collaboration—may be the perfect place to start practicing enterprise leadership.

¹ Chris McShea, Dan Oakley, and Chris Mazzei, “The Reason So Many Analytics Efforts Fall Short,” *Harvard Business Review*, 29 August 2016, <https://hbr.org/2016/08/the-reason-so-many-analytics-efforts-fall-short>.

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