



Data-Driven Organizations

People Analytics

Mark Arian – Alan Guarino

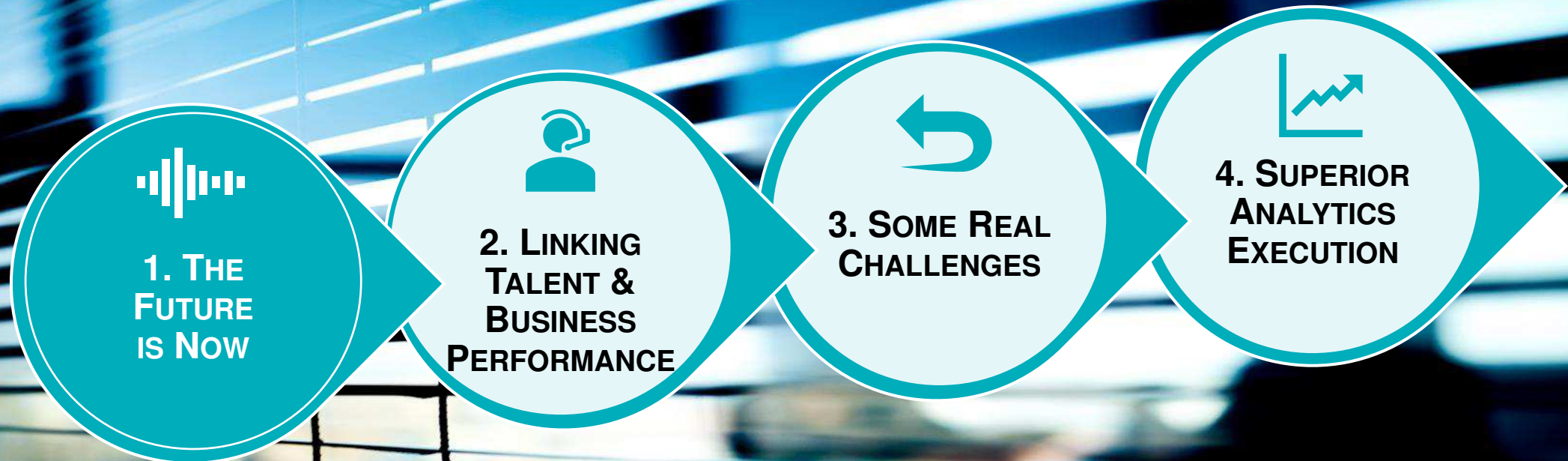
New York, April 5th 2018



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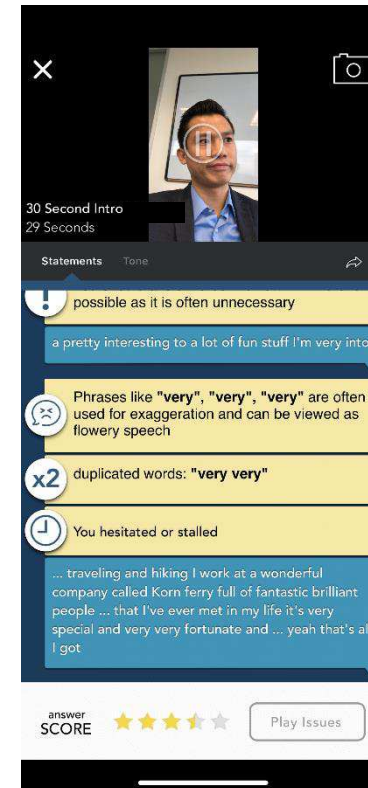
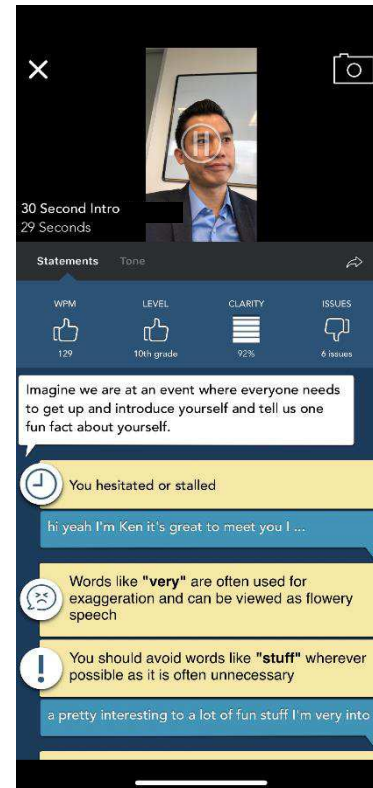
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The Rising Influence of People Analytics



1. The Future is Now

From AI for job interviews preparation



Data analytics for better behaviors and decisions.

Live feedback using 3 AI engines: words, tone & pace, face expressions analytics.

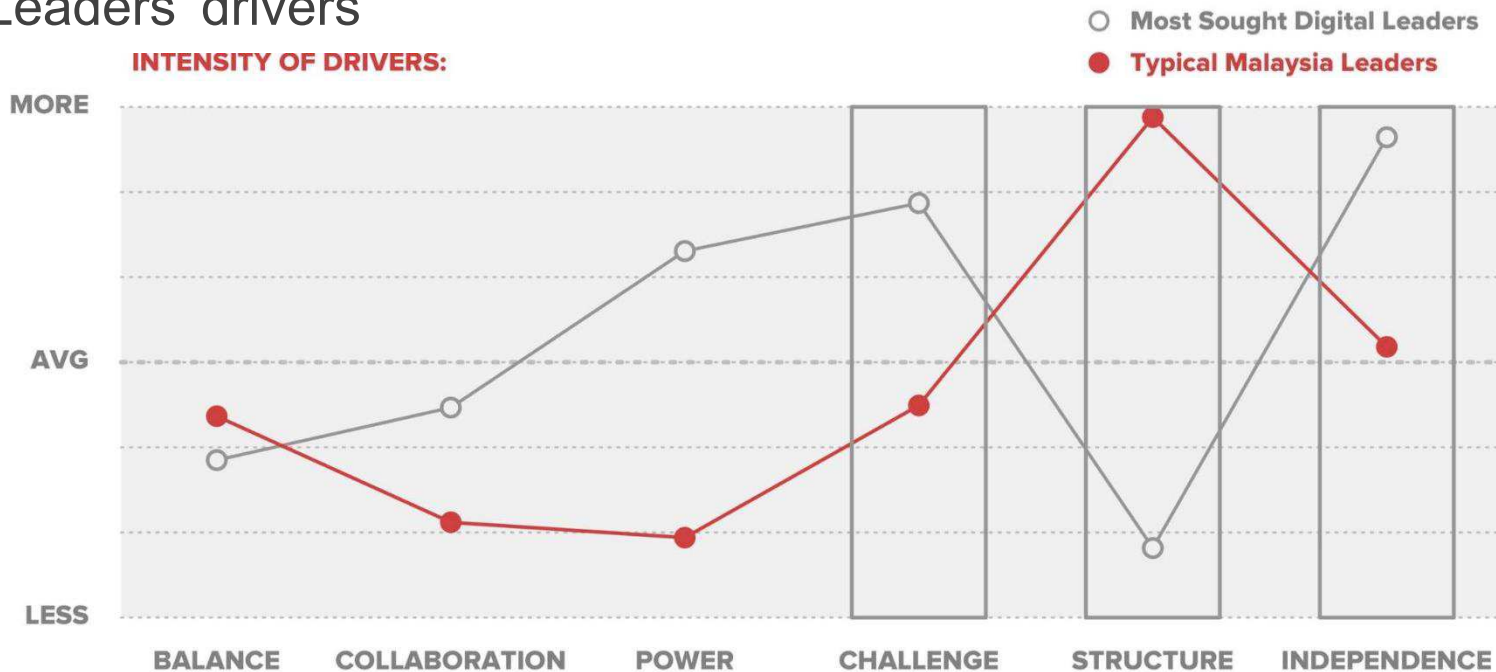


1. The Future is Now

“What does an agile / digital leader look like?”

#1 request from KF clients.

Leaders' drivers



Balance : Motivated to integrate work and life in a sustainable, enjoyable, and meaningful way.

Collaboration : A preference for work-related interdependence, group decision making, and pursuing shared goals.

Power : Motivated to seek influence, recognition and increasing levels of responsibility.

Challenge : Motivated by achievement in the face of tough obstacles.

Structure : A preference for process-oriented, structured and stable work environments.

Independence : Prefers an entrepreneurial approach and limited organizational constraints.

Competencies	Experience
Traits	Drivers

Self-service analytics: benchmark of leaders' profile.



1. The Future is Now

Big Data analytics to solve perennial pay equity issue.



KF Pay Data

 **110+**

Countries where we collect and provide pay data

 **25,000**

Organizations in our pay database worldwide

 **20m+**

Job holders for whom we have salary data in 2016

Average 'headline' gender pay gap is:

17.6%

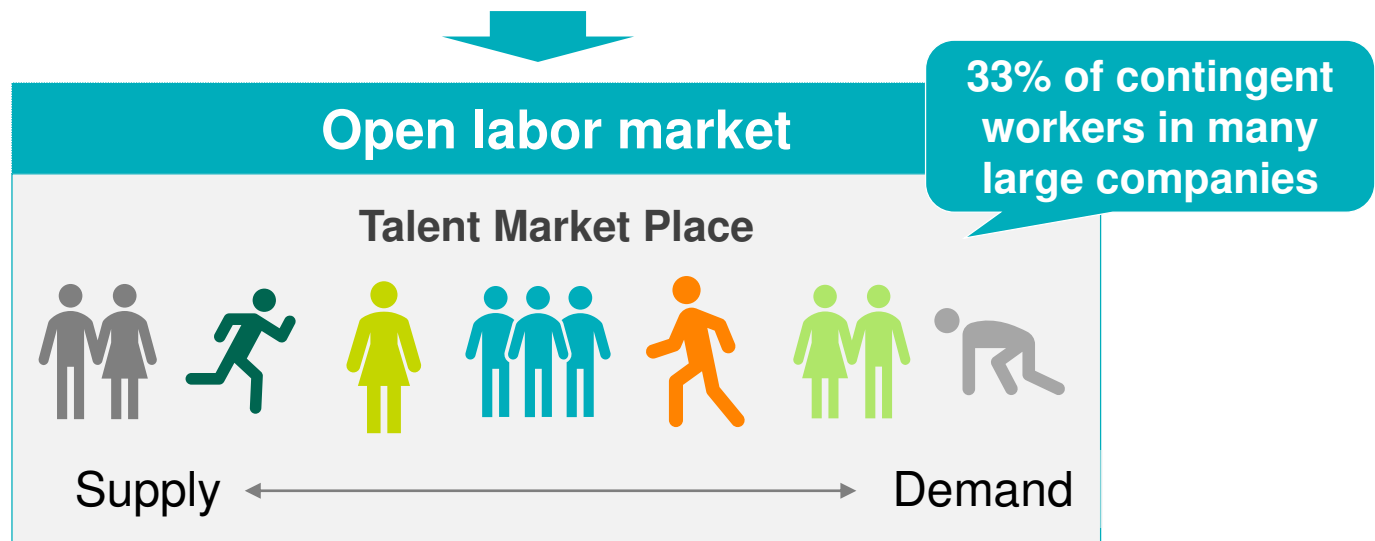
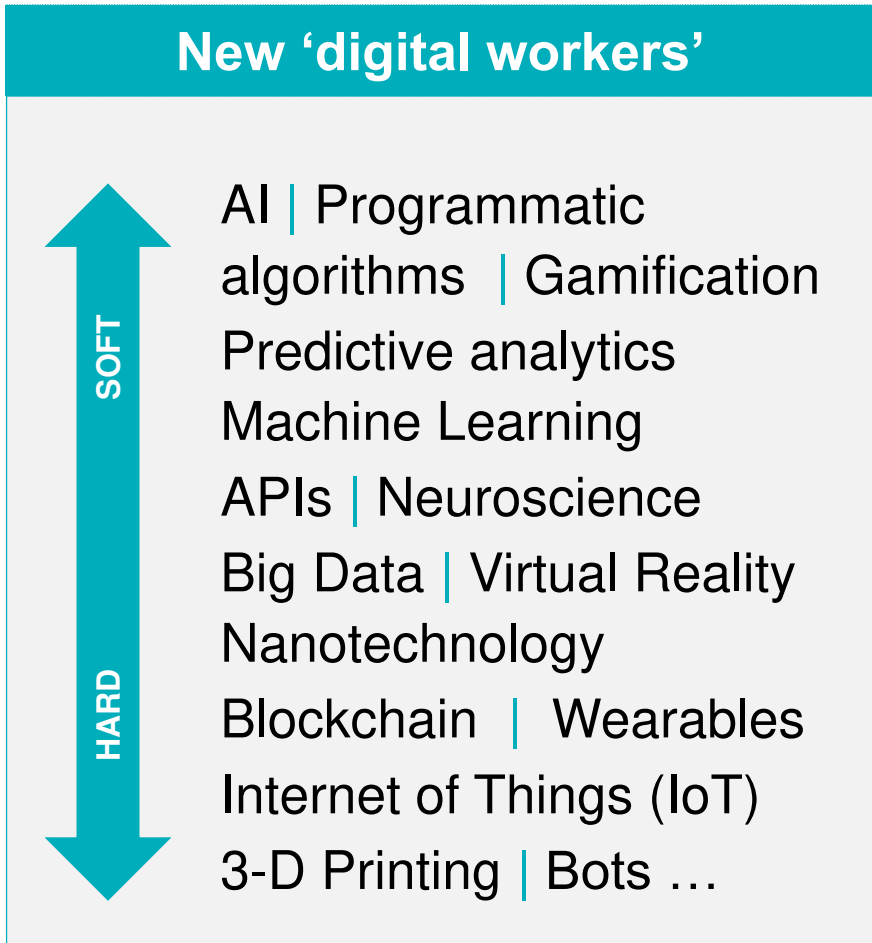


Comparing people at the same level, in the same company and same function, average gap is:

1.6%

1. The Future is Now

The 4th industrial revolution is underway.



Linking Talent & Business Performance



2. Linking Talent & Business Performance

Talent analytics payoff for HR

Organizations more active* with HR data analytics are...

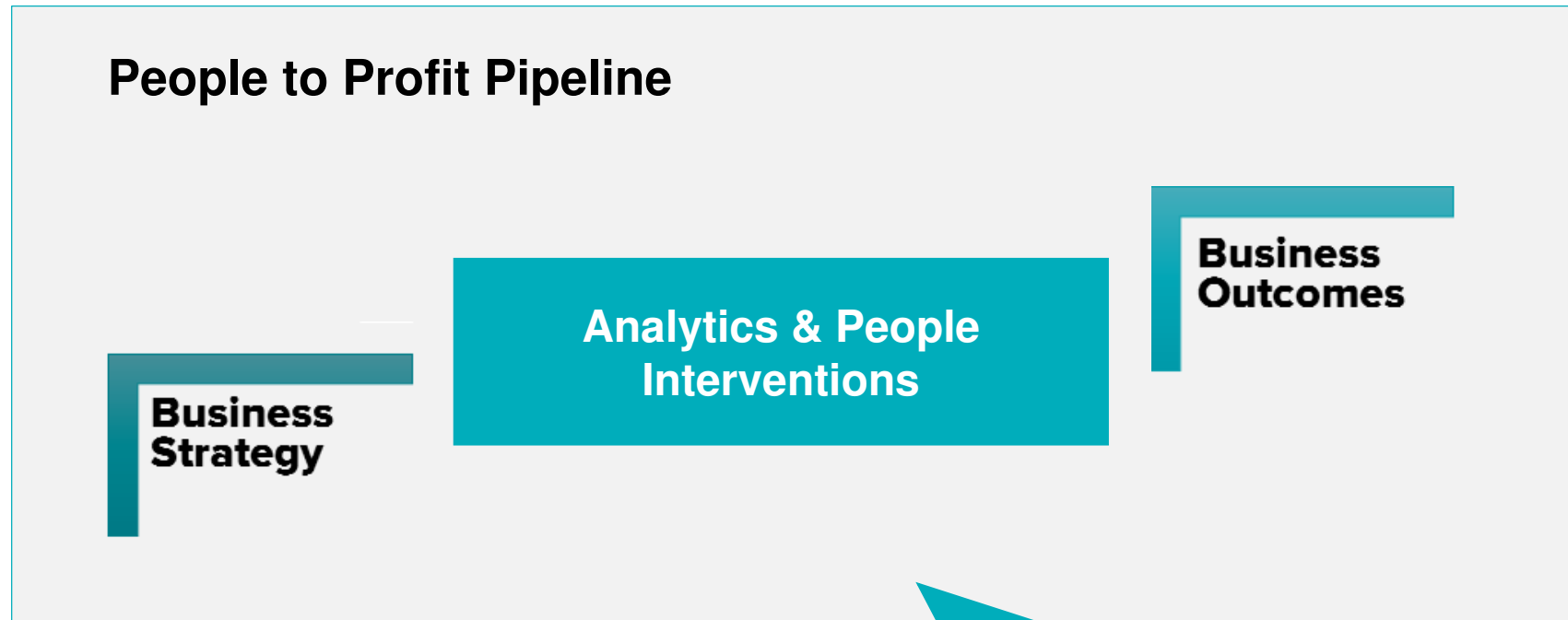
2x as likely to improve their recruiting and leadership pipeline.

3x as likely to realize cost or efficiency gains.

3.5x as likely to get the right people in the right jobs.



2. Linking Talent & Business Performance



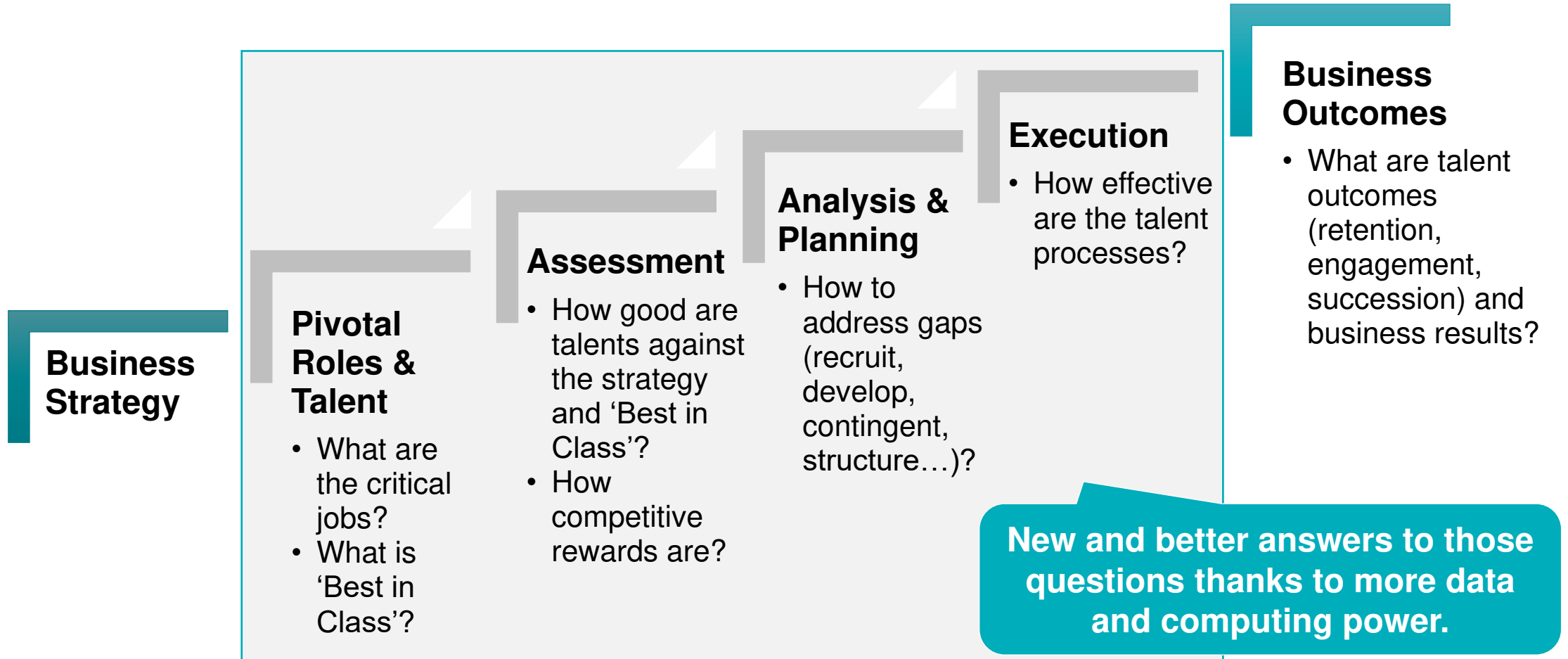
Embedding talent analytics into business processes: how much of the \$ strategy is talent?



2. Linking Talent & Business Performance

Key success drivers

People to Profit Pipeline – Full talent and business analytics



2. Linking Talent & Business Performance

Big, more granular data




Engagement data



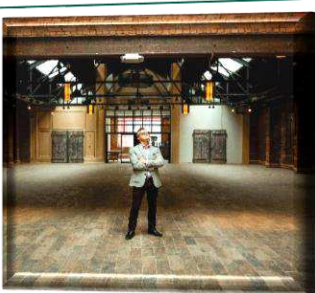
Rewards and Benefits data




Interview data



Assessment data



Performance data



Attrition data

Employee engagement 6.9 million employee respondents across all industries within the last 3 years from over 350 organizations	Over half a million employees rated as a part of multi-rater feedback by over 5 million raters	56,000 Search & Enterprise	88,000 business simulations assessing leadership readiness
	Assessments of Emotional Intelligence	53,000 assessments of leadership potential	Over 78,000 assessments of Organizational Climate created by leaders and the Leadership Styles they employ in the last three years
165,000 assessments of Decision Styles	High volume Talent Q pre-hire assessments	62,000 learning agility assessments	

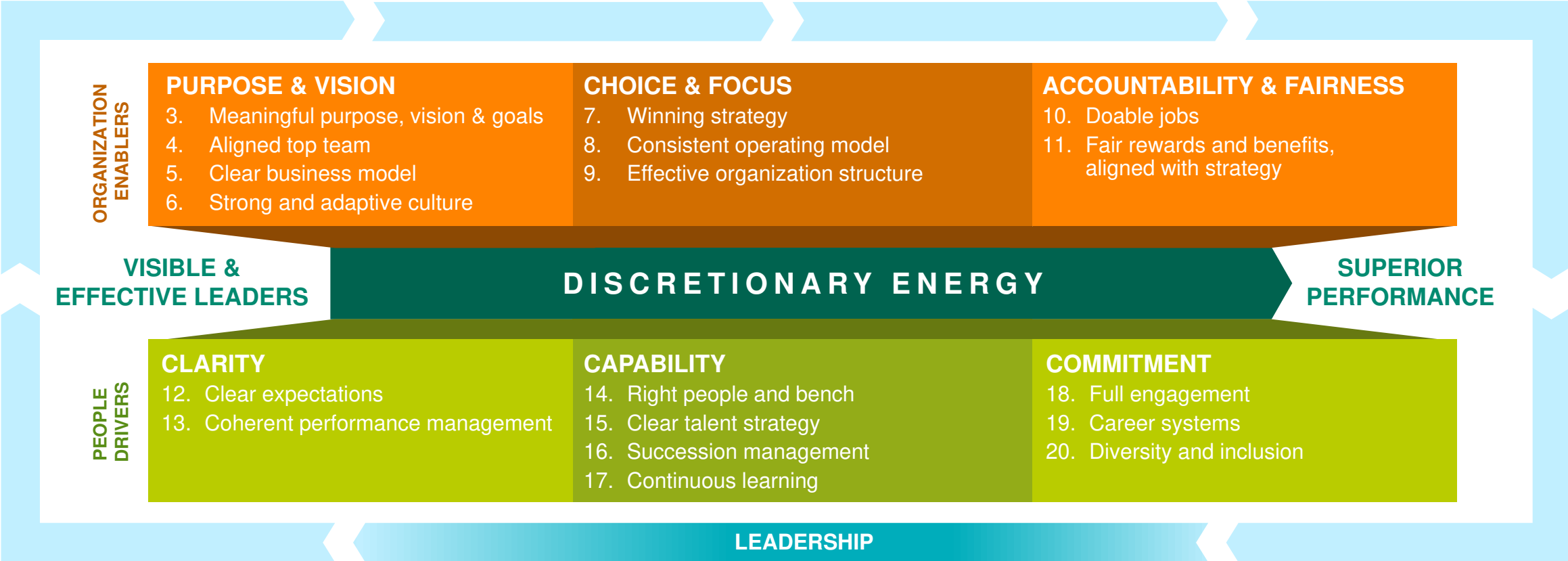


Structured and **unstructured** data.
 Internal and external data.
 Cloud base, virtual data warehouse.
 Asynchronous, always on.



2. Linking Talent & Business Performance

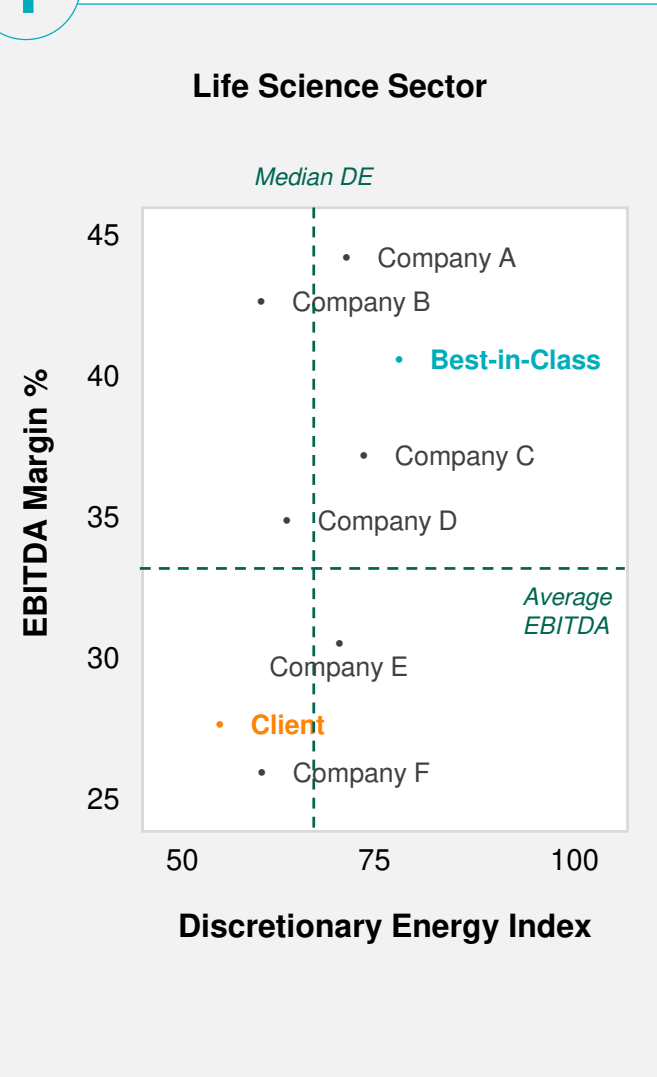
Discretionary Energy and Performance



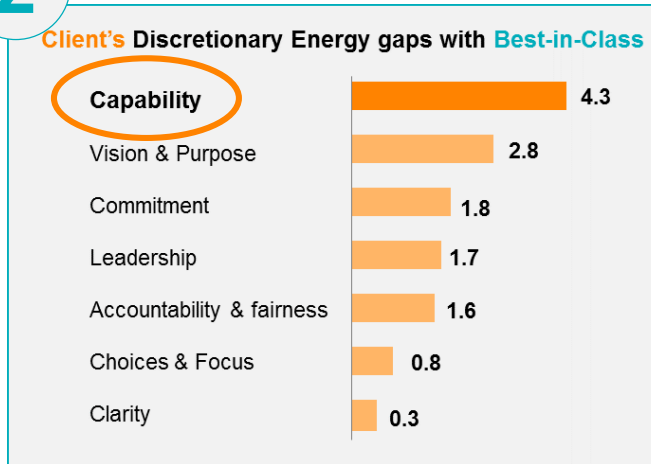
2. Linking Talent & Business Performance

Discretionary Energy and Performance – Client example

1



2

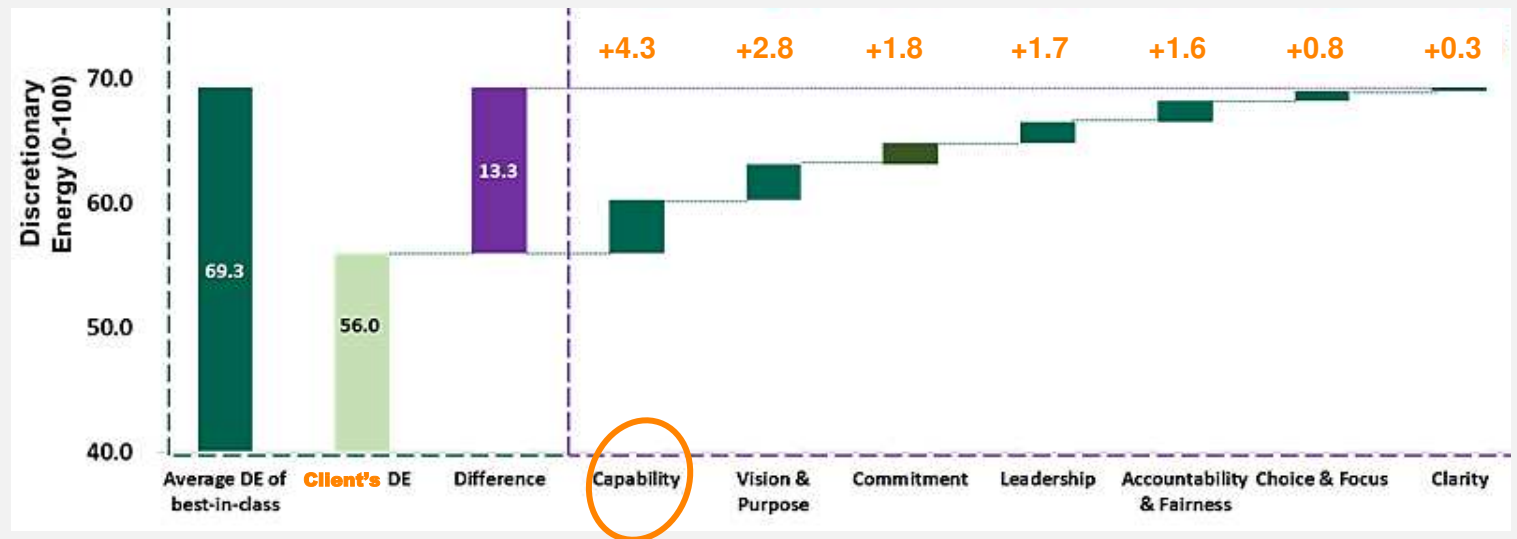


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Potential profit improvement of \$2.5b with ~ \$900m through Capability

	Capab	V&P	Com.	Lead.	A&F	C&F	Clarity
Additional EBITDA Margin %	+2.4	+1.4	+0.9	+0.8	+0.8	+0.4	+0.1
Additional EBITDA USD M	+898	+548	+333	+319	+294	+143	+54

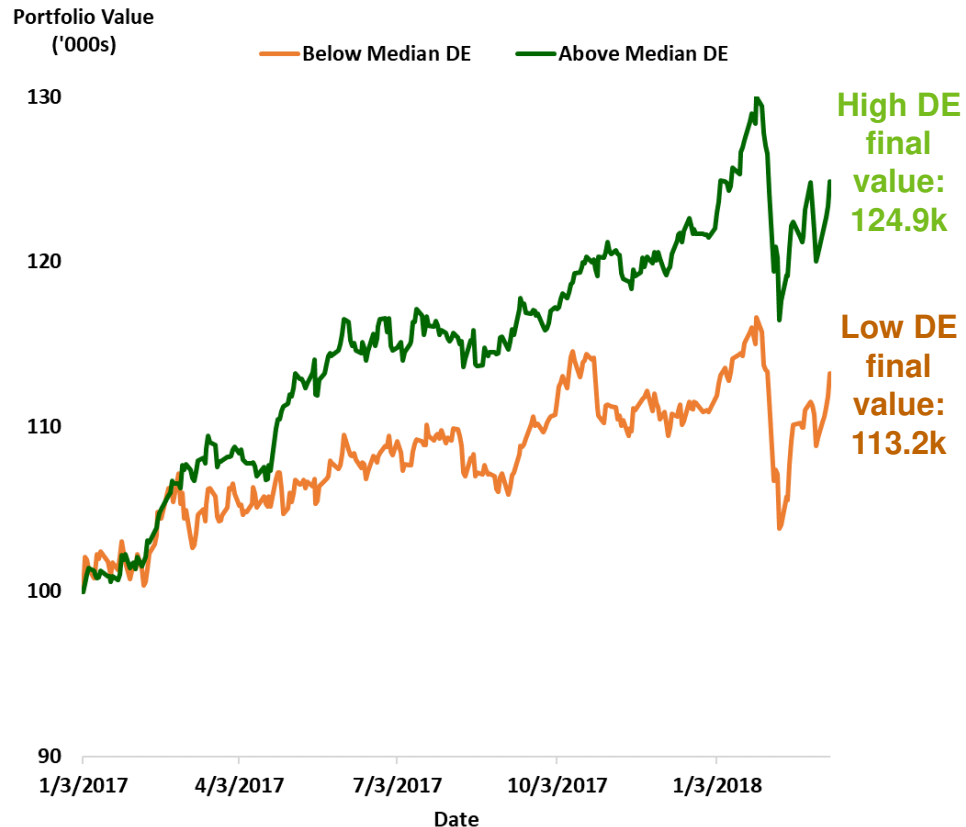
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2. Linking Talent & Business Performance

Discretionary Energy – Impact on performance

Two portfolios constructed for High and Low DE



Annualized Shareholder Returns (%)

20%³

13%

Sharpe Ratio

- Risk-Adjusted Returns
- Higher is better

1.83

0.80

Credit Ratings

- Used to assess sustainability of business performance
- Lower is better

6.7

8.7



The Rising Influence of People Analytics



3. Some Real Challenges

Spectrum of data and analytics

What data?

Graphs
GPS output
Machine-generate data, sensors, IoT
Raw data, observations
Scientific data, neuroscience, physics
Social media data, blogs, tweets, likes
Streaming, real-time continuous data
Structured data, tables, records
Time series
Text, survey verbatim
Unstructured data, human language, audio, video

Which platform?

Connected systems, cloud
Databases
Data warehouses
IT systems
Mobile, VR devices
Operational systems
Real-time
Reporting platforms
Self-service simulation platforms

What analytics?

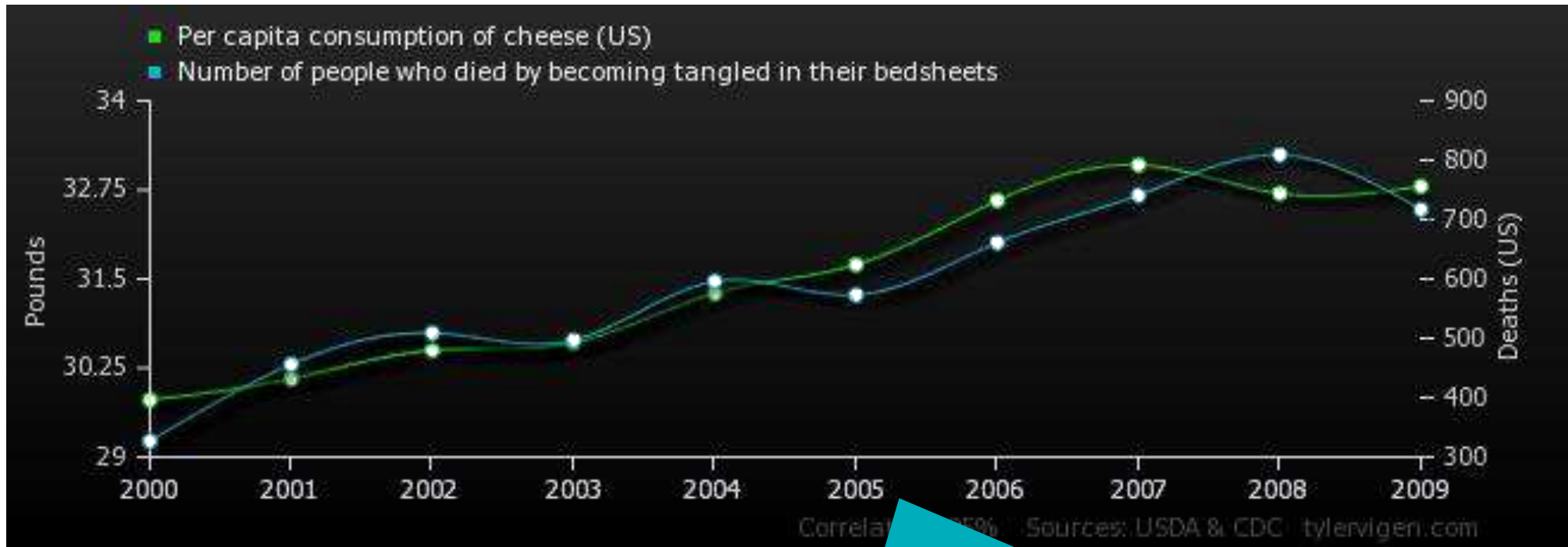
AI - Machine Learning, neural network analysis
Distribution, ranking
Forecasting
Geospatial analytics
Networks analytics
Optimization
Probability
Reporting, visualization
Social media analytics
Sorting, rules engines
Statistics
Text analytics
What-if simulations / game theory

How to utilize?

Alerts, risk management, turnover
Anticipation, prediction
Awareness building, feedback
Decisions, choices
Insight, foresight, learn
Needs anticipation, workforce planning
Negotiation
Recommendation, prescription
Talent decision, hiring, promotion, rewards, perform. management
Trade-offs analysis, investment

3. Some Real Challenges

Separating the signal from the noise



Most of data scientists' activities is about 'cleaning' and structuring data'.



3. Some Real challenges

Continuous learning : package delivery client example



Data analytics

Decision

Behavior

Data analytics

Decision

Outcome

Delivery delays and traffic accidents.



More accidents in left turns.

Design new routes with very few left turns.

Drivers continue to turn left to ensure quick delivery.

High number of accidents continues. Behaviors have not changed.

Link district managers incentives to compliance with new recommended routes.

100% compliance. Meaningful reduction of accidents. Less delays.



3. Some Real Challenges

Data quality and bias: financial services leaders example

Some data issues

'Garbage in – garbage out.'

'Correlation doesn't imply causation.'

'AI-ML Black Box.'

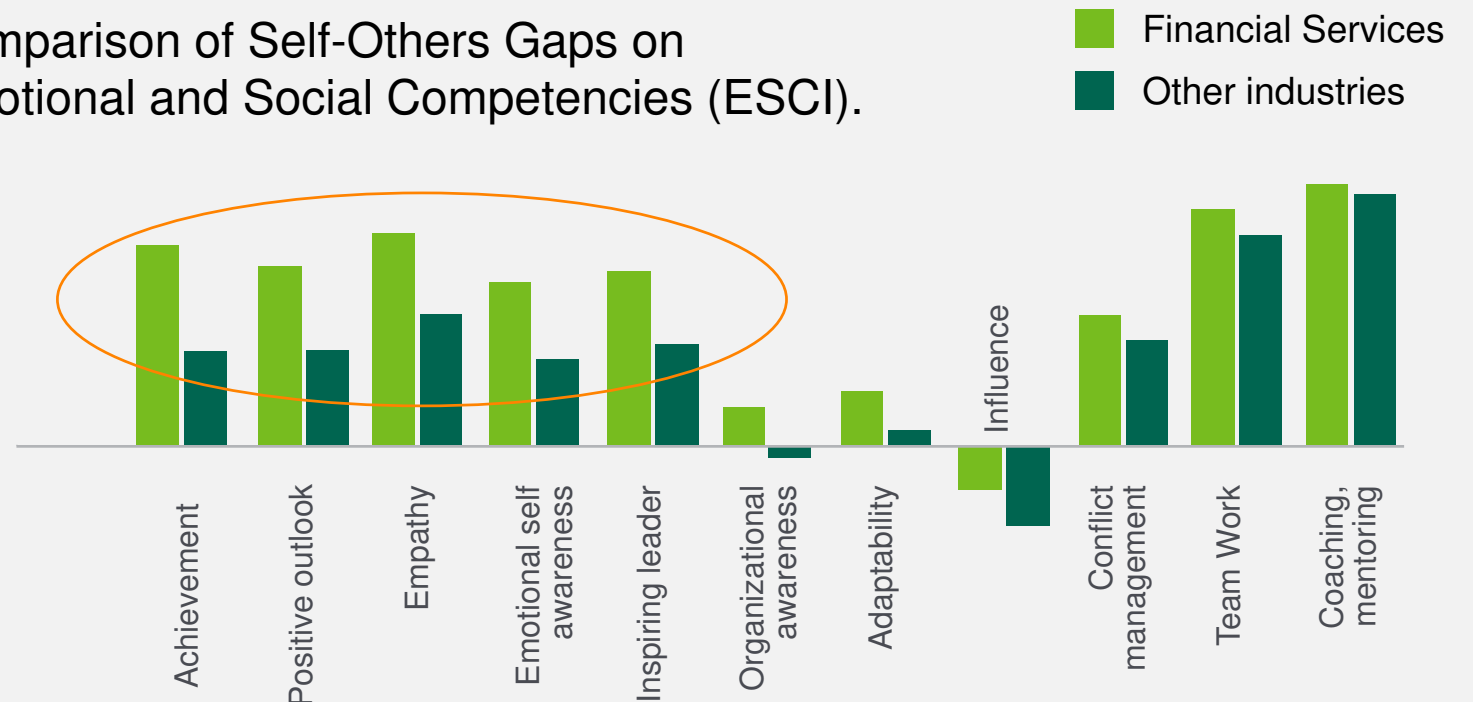
Distorted, biased or skewed internal or self-reported data, influencing outcomes.

Spotty, fragmented, wrong, incomplete, not clean.

Costly data access and management.

'Overconfident' Financial Services leaders example

Comparison of Self-Others Gaps on Emotional and Social Competencies (ESCI).



FSS leaders N= 1,021; Other industries leaders N=12,385.

3. Some Real Challenges

Data analytics ethics

Data analytics value chain



Will we hit a point of “knowing too much” about employees?

Can data analysis begin to shape outcomes in real time?

Can we avert misbehavior and manipulation before it happens?

New practices:
Cyber-security
Off-limits
PIP - GDPR
Culture



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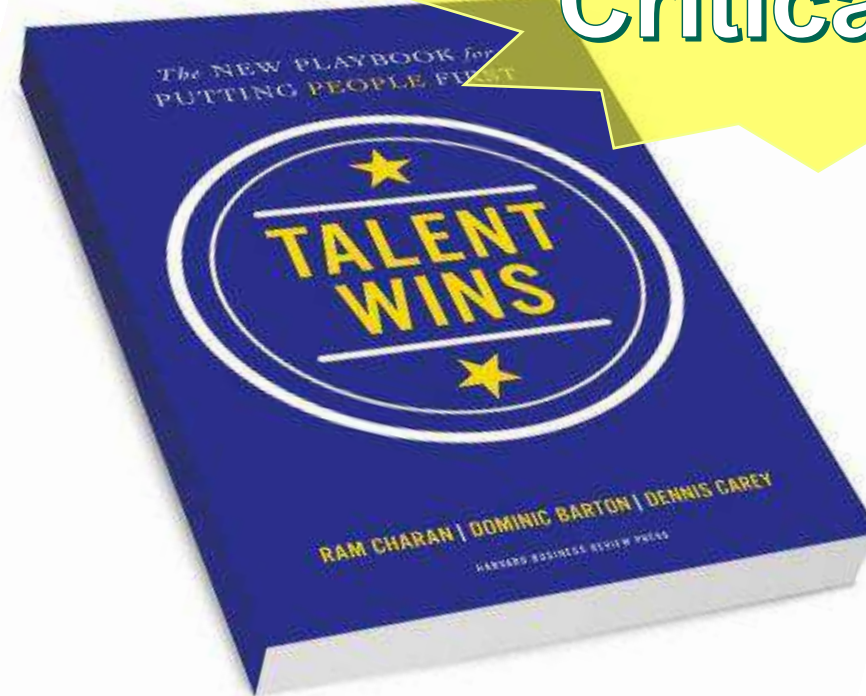
4. Superior Analytics Execution

Talent managed as assets

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IT'S TIME TO BLOW UP
HR
AND BUILD SOMETHING NEW.
HERE'S HOW
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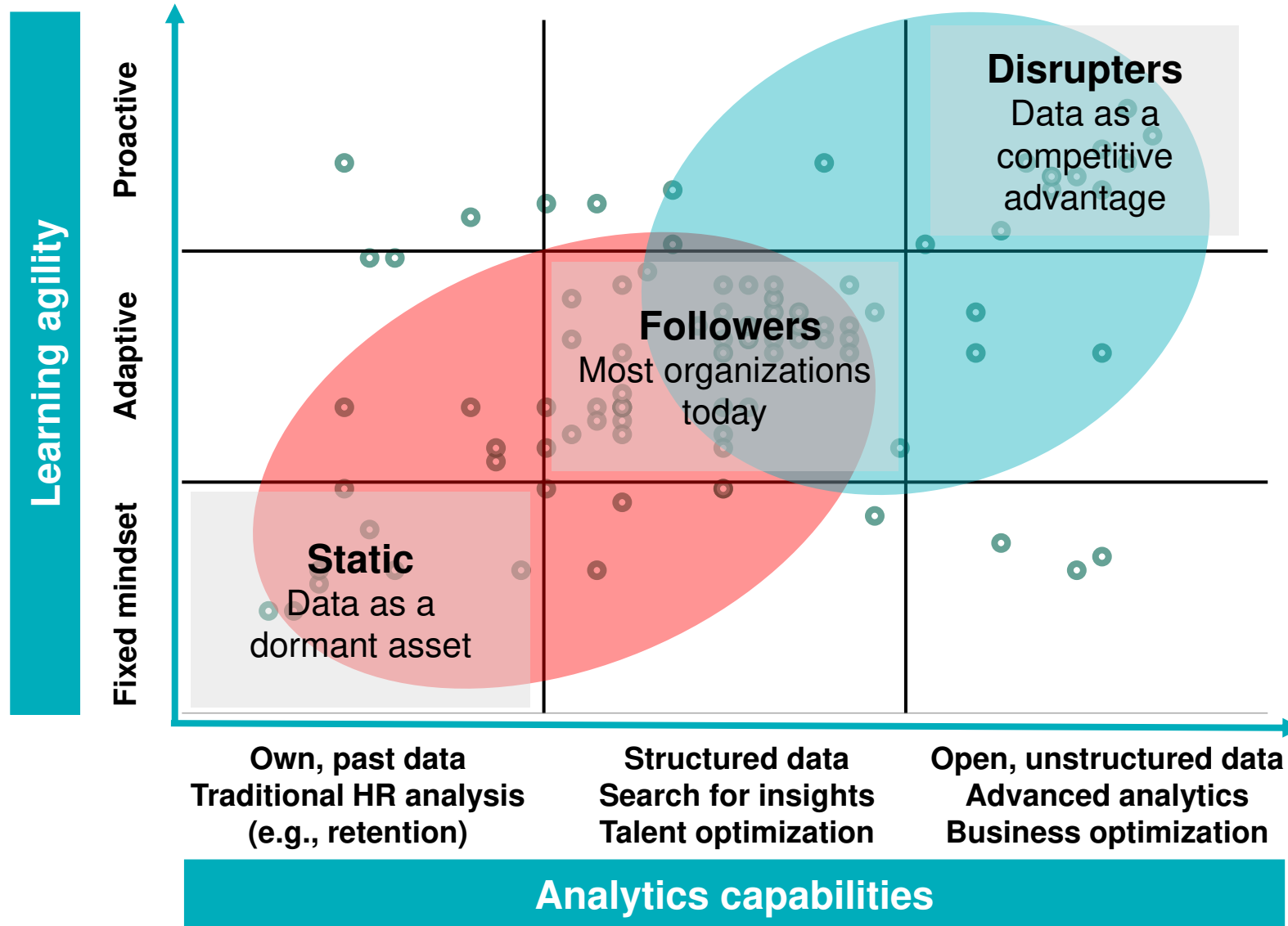


Critical 2%



4. Superior Analytics Execution

Embracing data analytics for business performance



4. Superior Analytics Execution

Towards analytics v.2



Emerging:

Discretionary Energy
People to Profits Pipeline
Strategic Workforce Planning v.2
Integrated data and analytics
Talent Supply Chain analytics
Always-on analytics; AI-ML



Today:

Talent scorecard
Market calibration
High potential identification
Leadership & talent gaps
Success drivers
Engagement and retention



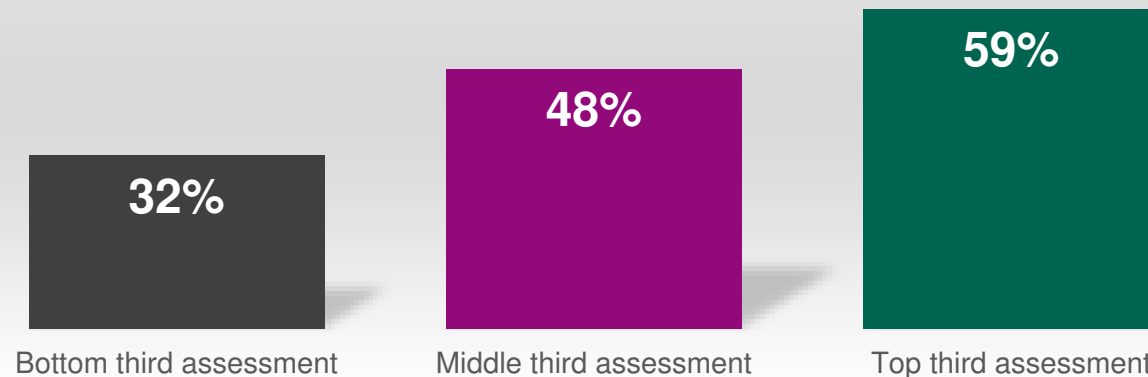
4. Superior Analytics Execution

Data analytics has a competitive advantage

Investment
in science,
data and
analytics

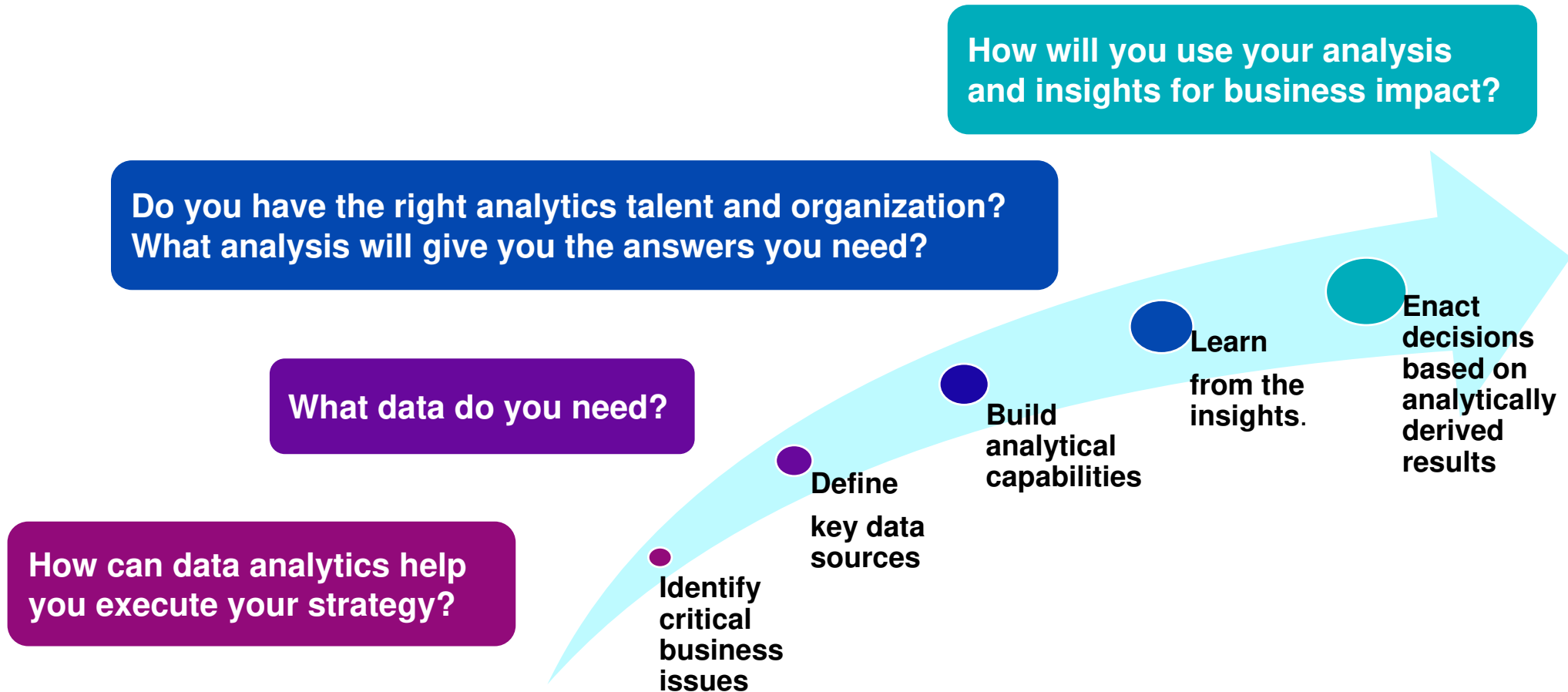
Executive Search candidates who rank in the top third of Korn Ferry assessment are **1.8x** more likely to be high performers on the job.

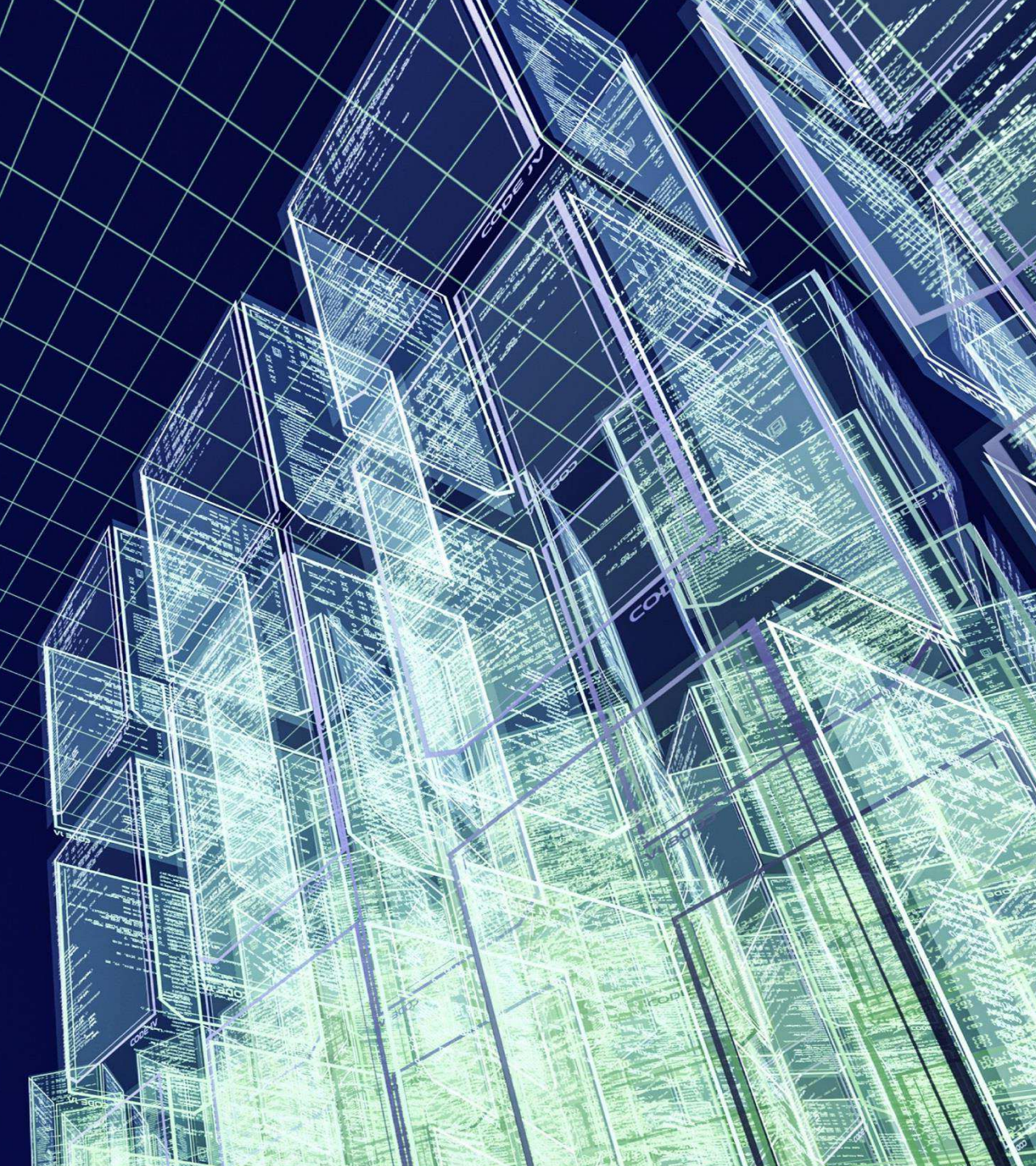
Percent of group that were subsequently high performers on the job



4. Superior Analytics Execution

Linking business performance to talent analytics





Thank you.



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