

Creating more value with your People Analytics efforts

Our framework for driving value





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Foreword

Welcome to

Creating more value with your People Analytics efforts: Our framework for driving value.

Invariably, the first question we are asked by our clients is “How can we get more value from our employee data?” It is a perfectly good question, but not necessarily the right one to open with. At a time when your organisation is facing an eruption of disruption — stretching from the green transition and digital transformation to the massive shifts in customer expectations and behaviour — a better starting point would be determining what your business needs to succeed. “How does our workforce need to change to execute our strategy and realise our ambitions?” “What can we do to retain our staff?” “How to increase the diversity in our company?”

It is only once you’ve identified these key objectives that People Analytics can really come to fruition. The power of People Analytics is unleashed by the fact that it is no longer an end in itself, but rather a means to achieving strategic goals and resolving business issues. **Dietmar Eidens, Chief Human Resources Officer of Merck**,¹ the multinational pharmaceutical company, encapsulated this when he said: “Our mandate can best be expressed as shaping the people dimension of Merck to achieve our strategic objectives. It is this context that creates the significance of data and technology in general for HR.”

Reaching out to the business

So how do you capitalise on the potential? As we explore in this article, the overriding priorities are how to position People Analytics within the organisation and create the capabilities to deliver what the business needs most. A lot of HR teams rightly worry about the availability and quality of their data, how to draw attention to the analytics results, or what use cases to focus on — we look at how to tackle these challenges. But in many ways, the most important steps are engaging with your business, understanding what they want from you and coming up with credible and actionable solutions.

¹ <https://www.pwc.ch/en/insights/people-analytics.html>

² <https://www.pwc.com/gx/en/the-new-equation.html>

Building on our experience and strategy

The practical framework we set out here draws on experience gained out of numerous People Analytics projects for clients worldwide, ranging from strategy to execution. It also builds on our **PwC strategy**² as we seek to combine the power of technology and human ingenuity to resolve the most important problems that businesses, communities and wider society are facing. As the most effective People Analytics demonstrates, the best ideas and solutions start at the intersection between the two.

Boosting your status and influence

What does this offer you? If you are an HR professional, the greater the business benefit from People Analytics, the better your chance of securing a seat at the table of strategic decision making. And the closer the dialogue you have with the business, the more valuable your analytics will become. Do it well and the end result could be a virtuous circle of engagement, impact and influence. As a stakeholder outside HR, you will directly benefit as well. Actionable insights help you to influence the people metrics that are most important to you, whether this is a more diverse workforce, the right skill set to carry out your strategy, or a value proposition that not only attracts the staff you need but also supports retention.

We hope that you find this article useful. If you have any questions about anything we cover that you would like to discuss, please get in touch.



Prasun Shah

Partner,
PwC EMEA People
Analytics co-Lead



Bas van de Pas

Partner,
PwC EMEA People
Analytics co-Lead

Introduction

Data analytics is on the rise. Over half of the 4,400 CEOs surveyed in **'PwC's Global CEO Survey 2022'**³ reported that automation and digitisation are now part of their company's long-term corporate strategy. This highlights the desire to unlock the value of data and technology to improve operations and sharpen decision making across all functions, including HR.

The Covid-19 pandemic accelerated the need for organisations to act on the potential of People Analytics; from monitoring the wellbeing of remote working employees, to retaining key talent as labour shortages began to surge. Workforce decisions needed to be based on clear and actionable evidence rather than gut feeling. By helping to resolve business critical workforce challenges, effective People Analytics can enhance the strategic value, impact and status of HR within your organisation.

Falling short of expectations

The growing focus on People Analytics has led to considerable investment in areas ranging from recruitment to turnover analytics. While these efforts have yielded results, many of our clients report that their People Analytics initiatives are not delivering the business value that they expect. Common issues range from sourcing relevant data and performing the appropriate analytics, to the scalability of the devised solutions and embedding results to influence relevant decision-making. HR Leaders taking part in the PwC **HR Tech Survey 2022**⁴ are still citing data analytics and HR insights as their top human capital challenge.

Practical and proven guidance

So how can your organisation realise the full benefits of People Analytics? We have set out to answer this question based on our experience and analysis of multiple implementation and strategy projects across different markets, industries, and business sizes.

This report and framework are designed to provide you with a structured approach to maximise value from People Analytics, regardless of your starting point or ultimate ambition. With descriptions of potential complexities and pitfalls, this report aims to empower you to determine your next steps on your People Analytics journey. Throughout the report, we provide practical guidance on how to use our framework to define a clear vision for People Analytics within your organisation and develop a pragmatic roadmap for implementation. Example client case studies, as well as from PwC's own People Analytics journey, will also help illustrate how the framework can work for different organisations and the value it can deliver.

³ https://www.pwc.com/gx/en/ceo-survey/2022/main/content/downloads/25th_CEO_Survey_PDF_report.pdf

⁴ <https://www.pwc.com/us/en/tech-effect/cloud/hr-tech-survey.html>

1. Framework for effective People Analytics

Realising untapped potential

When asked what People Analytics is, many HR leaders and practitioners alike would answer that it is about translating people data into actionable insights that inform workforce decisions and improve business performance.⁵ Indeed, the core of all People Analytics efforts is to collect and connect the dots, creating a strong data layer and deriving insights via analytics. However, while developing a diversity & inclusion dashboard or a predictive employee retention model is one thing, bringing the message across and making sure HR and business stakeholders incorporate them into decision making is quite another.

We have experienced that in many organisations there is more needed to get right in order to make the desired impact with People Analytics' efforts. Only the 'right' organisational governance, data and tools landscape, company culture and capabilities can allow you to create scalable solutions which are adopted by key decision-makers.

Framework for effective People Analytics

This is the key lesson that has shaped our comprehensive approach to how to establish and increase the value of People Analytics in an organisation, which we outline in our framework for effective People Analytics (see Figure 1). The layers of our framework reflect that the ultimate People Analytics value drivers are:

- high-impact use cases delivering actionable insights to relevant workforce challenges (the inner 'insights' layer);
- a high-performing People Analytics function and technological set-up that can deliver on your ambition (the outer 'function' layer).

To tackle them systematically, we identified the key value drivers within each layer based on our experience from both our own People Analytics journey and those of our clients.

The key value drivers of the 'insights layer'

At the core of your People Analytics efforts, and hence our framework, are the individual use cases you are building. The value potential of every use case is determined first and foremost by the quality, richness, and relevance of the employee data you extract from core human resource management (HRM) systems and other data sources, and by the power and adequacy of the analytical model implemented to derive insights. In the short-term, the availability of relevant data and models may restrict the use cases that you can build. In the long-term however, the choices made with respect to the use cases you will want to focus on should drive what data and models are available.

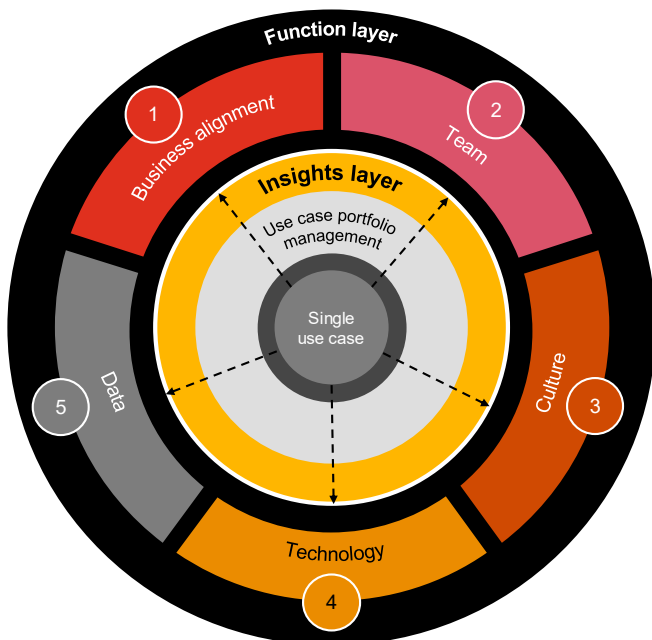


Figure 1: Our framework for effective People Analytics

⁵ What is people analytics? In: Jonathan Ferrar and David Green. Excellence in People Analytics: how to use workforce data to create business value. London, United Kingdom; New York, NY, USA: Kogan Page Limited, 2021 p. 5.

1. Framework for effective People Analytics (continued)

The key value drivers of the 'insights layer' (continued)

For the end user however, what is often overlooked is the solution's business relevance, scalability, and adoption. These are the evaluation and prioritisation criteria that should guide you in selecting the use cases to develop (further), and help you monitor the impact of your use cases which are already in production. The second crucial element of the insights layer is therefore effective use case portfolio management, which places these guiding principles at the centre of all selection points across the entire use case lifecycle, thereby ensuring that you focus your resources on pursuing the most impactful use cases.



The key value drivers of the 'function layer'

This outer layer underpins all your future People Analytics operations. It encompasses all the aspects that you should address to increase the impact of your People Analytics solutions. A successful People Analytics function is characterised by five main driving forces:

- **Business alignment:** a strong link to the business and ownership by the stakeholders; the way of reporting is geared towards enabling the use of the information in decision making;
- **Team:** the People Analytics team has the capabilities required to derive actionable insights from data and communicate them. Accordingly, the roles and responsibilities between enterprise data analytics, HR and business teams are clearly defined;
- **Culture:** a data-driven culture and growth mindset is embedded in the wider organisation to embrace the actionable insights provided by People Analytics solutions;
- **Technology:** adequate tooling (built or bought) and processes that are fit for purpose and efficient in use;
- **Data:** a scalable human resources information technology (HRIT) data landscape to feed relevant data into the tooling combined with stringent data security and ethics policies; data is of high quality and based on uniform definitions.

While building a scalable data and tools landscape and strong analytics capabilities is a top priority for People Analytics professionals, we have seen how a lack of end-user adoption is the most common reason why teams fall short on benefit realisation. On a functional level, the adoption is ultimately a consequence of the three dimensions: 'business alignment', 'team' and 'culture.' Specifically, your People Analytics solutions need to be relevant for and fully integrated into the decision making; your team must have the skills to translate data-driven results into actionable business insights; and your stakeholders need to trust and embrace your data-driven insights.

1. Framework for effective People Analytics (continued)

Putting it into practice

Most companies already have a number of use cases they work on. To bring their People Analytics to the next level, should they take a step back and first focus on a more strategic approach with respect to the function layer and sort out challenges related to, for example, data and business alignment? Or, alternatively, should they instead focus on increasing the number of use cases they provide to the business?

What we see working best for most clients in terms of creating value with People Analytics is to do both: continue to increase the value of (existing or new) People Analytics use cases while working on the strategic blueprint of the target state of your People Analytics function. This works both in situations where a significant number of People Analytics use cases already exist, as well as in those where the organisation is at the beginning of its People Analytics journey.

Increasing the number of use cases in your portfolio can be achieved by identifying urgent business questions or low-hanging fruits around your workforce challenges. With high-impact and 'myth busting' results you gain traction and buy-in across the wider organisation. We will describe in Chapter 2 what it takes to build such high-impact use cases from day one onwards.

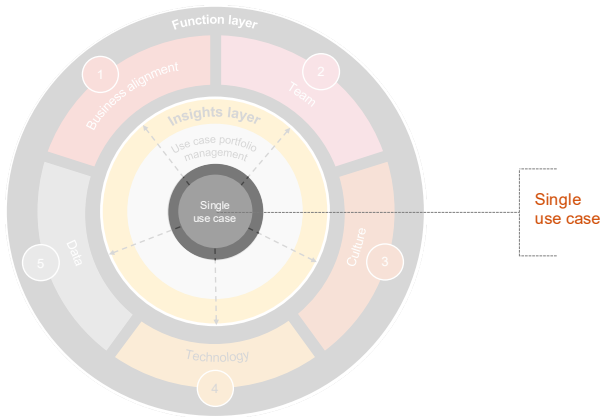
In the meantime, we advocate never losing sight of your People Analytics 'north star'. 'Dream big' and define the ultimate ambition level with People Analytics, inspired by 'world class' use cases. So, while gaining traction in the organisation and proving the value of analytics, you should start working on the target 'to-be' state of the functional layer, including the required operating model, data and tools landscape, capabilities, and culture. The demands derived from your target 'to-be' state need to be carefully balanced against the boundaries set by the overarching enterprise data and business strategy, as well as by the current set-up of the HR function. A comprehensive gap analysis comparing where you are now with your envisaged target state enables you to develop an actionable roadmap to reach your goals. We will elaborate further on this process in Chapter 3.

As you progress on your People Analytics journey, your ambition level and target state are likely to evolve. After having set out your initial implementation plan, it is therefore key to manage your use cases actively over their entire lifecycle and regularly assess if the blueprint of your target state needs to be adjusted. We will comment in Chapter 4 how this stage works in practice.

We will end this article in Chapter 5 with some practical recommendations on how to determine your next steps, depending on where you stand in your People Analytics journey.



2. How to build high-impact People Analytics use cases



Show, don't tell

To ensure that your organisation embraces People Analytics, you will need to prove the added value, or 'show' rather than 'tell'. In our experience, 'myth busting' is a powerful way to achieve this. People tend to make assumptions about their workforce and why certain things happen within their organisation. The decisions are based on those unvalidated assumptions and some degree of gut feeling, creating 'myths'. To make truly evidence-based decisions, let the data speak and test these 'myths' about implicit or explicit organisational assumptions on your workforce with data. A second powerful approach to demonstrate the value add of People Analytics is solving business critical workforce challenges and addressing employee pain points. In this way, People Analytics enables HR to become a strategic business partner.

For both approaches, you need to collect the required data from different sources and connect them by applying the 'right' analytics. These use cases should then generate actionable insights, directly impacting the business and bringing value to the end user. To make impact across the organisation, the business value, scale and end-user adoption of your use cases should therefore be at the forefront of all of your efforts.

Collect the dots

As already stated, to generate new insights or bust myths, you first need to collect the 'right' data. Relevant data can be extracted from internal and external, structured and unstructured sources. We suggest organisations to start with their core HRM system as an initial data foundation for their People Analytics.

The data you use for the analyses does not necessarily need to be perfect in terms of completeness and consistency. An analysis and decision based on limited data can be better than having no insights at all. In any case, you should always be aware of how the data limitations impact the model and insights generated.

The extent to which you want to enrich this core employee database depends on the type of actionable insights needed to answer your business and workforce challenges or support the myth busting exercise. The initial hypothesis may require combining your people data with other types of data sources like customer, operational and financial information. Most HRM-platforms allow you to tap into these sources of information, facilitating this kind of analysis. The data that you can consider in supporting you in your analysis is quite extensive, ranging from behavioural data, for example from engagement surveys, through performance and finance data like assessment results or compensation information. The data can even be potentially expanded with more personal data allowing you to generate insights from different angles and determine the key underlying factors of your pains and opportunities. Figure 2 shows a range of potential structured and unstructured data types and elements that can provide additional insights and value to your solutions.

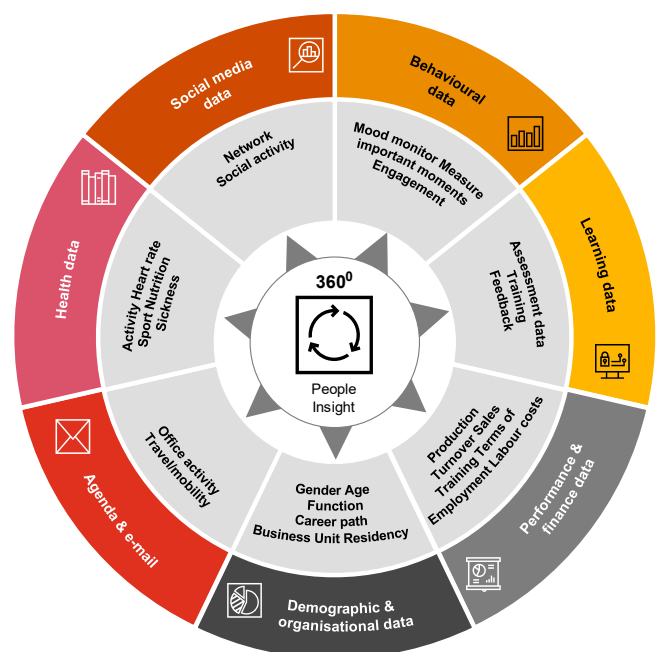


Figure 2: Enriching core HR system data allows to generate holistic insights.

2. How to build high-impact People Analytics use cases (continued)

Collect the dots (continued)

The large number of potential data sources in Figure 2 could suggest that you should simply gather as much data as possible. However, minimisation of the amount of data gathered and privacy considerations are important elements to many data policies and legislations, for example the GDPR. The collection, combination, and usage of the data should therefore be aligned with your organisation's data policies and ethics to help build trust in your People Analytics solutions (see Chapter 3). Without this trust, the adoption of use cases will be limited, and your reputation might be at risk.

Connect the dots

Once the data you need is available, you can think about the analyses that are appropriate to create the desired actionable insights or bust the chosen myth. Basic descriptive analyses focus on what happened, whereas more mature and advanced questions revolve around what is likely to happen and how to influence this. In the choice of the most appropriate analysis, a close collaboration with experts from HR and business is crucial to validate model assumptions based on their expert judgement.

In Figure 3 different People Analytics maturities are presented, ranging from the basis of a core database with descriptive analytics through highly advanced prescriptive analytics. Note that an advanced analysis is not necessarily better than a more basic one; the analysis chosen needs to fit its purpose and should be as simple as possible.

As your People Analytics function matures, the impact of the use cases usually increases. However, we often see that the actual value generated (dotted line in Figure 3) falls short of the additional value that was expected (solid line in Figure 3) and that the difference increases with maturity. The reason for this is that a more sophisticated analysis alone does not necessarily create a larger impact. A more sophisticated use case requires a larger accompanied effort to educate stakeholders, align business processes and increase scale. For a use case to make a real impact across the organisation, its business relevance, the scale as well as the adoption is vital. If this is not sufficiently addressed, the maximum value potential will not be reached and an expectation gap will result. The remainder of this chapter and subsequent chapters provide additional causes on why the realised value often falls short of the expected value.

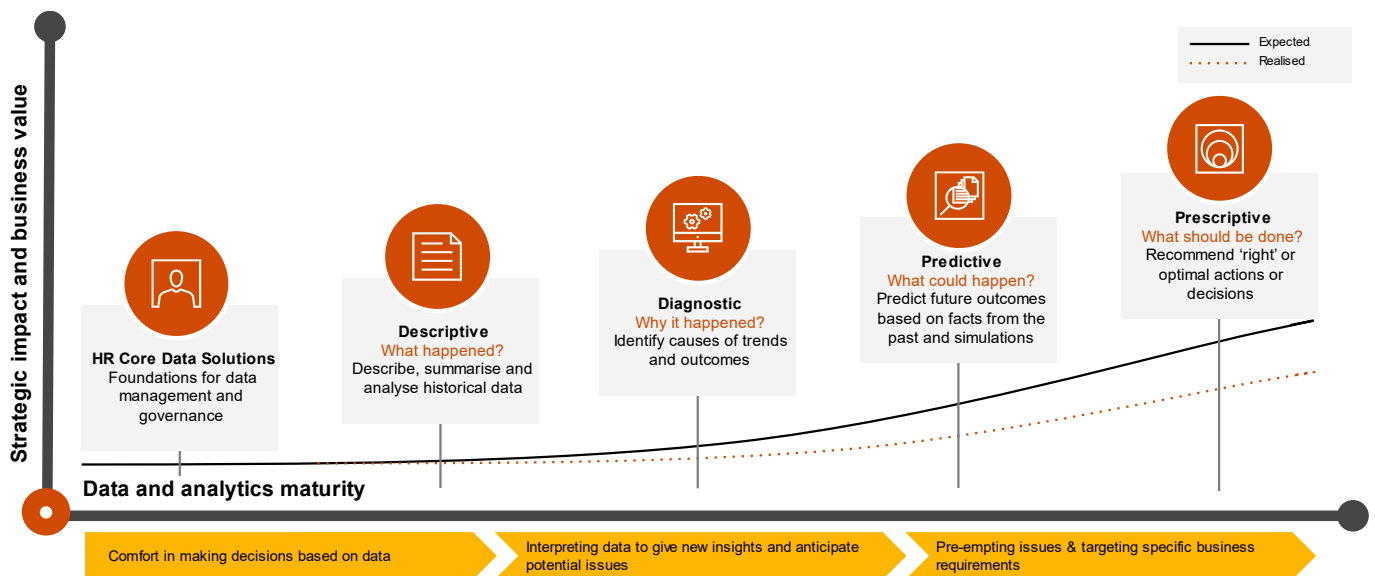


Figure 3: The People Analytics maturity curve ranges from descriptive to predictive insights.

Case study

Harnessing the potential of predictive or prescriptive analytics

A pharmaceutical company had seen a jump in recruitment, onboarding and training costs due to high turnover rates. The business was therefore seeking ways to improve employee retention and asked the company's People Analytics team to generate actionable and personalised data insights on how to reduce the turnover risk. They also took this situation as a first use case to understand the value of advanced People Analytics better and develop their vision on the future People Analytics function.

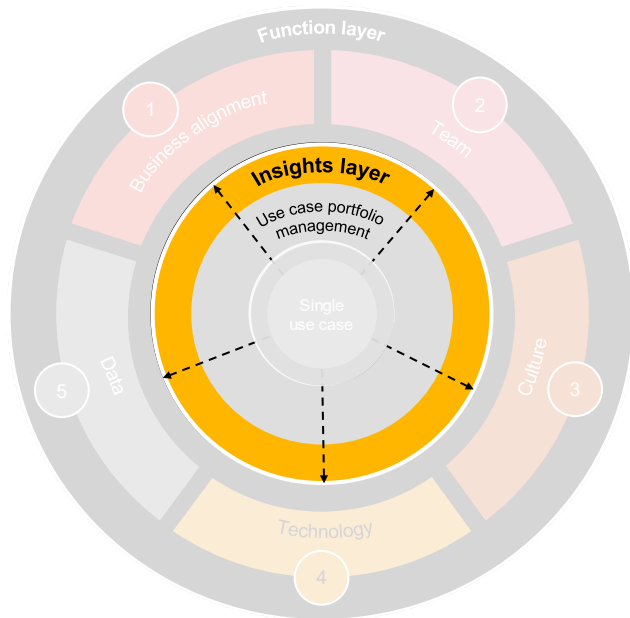
Together with this client, we aggregated all relevant employee data from different platforms (including employee engagement survey responses). Using predictive modelling and machine learning, we then built a predictive tool that calculates the risk of an individual employee resigning in the next year. Based on the strongest factors that drive an employee's risk of leaving, we built a data-driven recommendation engine to compare the impact of different interventions upfront. The tool then identified the most impactful and proactive actions to reduce the flight risk of each employee, team or unit. Examples of the actions include reviewing compensation packages or changing a person's manager.

In our analysis, we decided to leave out features like number of dependents, gender and employee age in the personalised prediction model given data sensitivity and we created recommendations on a more aggregated persona level to understand the difference in retention factors between age groups or gender, taking data sensitivity into consideration.

The tool developed enabled our client's CHRO and its business partners to develop personalised talent retention plans and target their interventions to employees where they would have the highest impact, hence demonstrating the business potential of advanced analytics. We also included expected Return on Investment numbers, showing the balance between the expected financial benefits of improving the retention and corresponding intervention costs.



2. How to build high-impact People Analytics use cases (continued)



Thrive for business relevance, scalability, and adoption

The starting point of every use case development is to make sure that you are solving an important problem that is relevant to the business. Addressing a pain point within your business and/or in your workforce not only helps to secure the necessary resources, but also to gain traction across the organisation with actionable insights. In Chapter 4, we will outline how to operationally ensure that your People Analytics use cases are aligned with business needs.

The uptake of these business relevant solutions among your end users is driven by the understanding of and the trust in the useability of information, so that the insights can be acted upon. Moreover, identifying synergies with other use cases in other HR areas or business units early on, allows you to increase the reach of your solution across the wider organisation. Making use of 'guiding principles' in the development phase and in the design of the end solutions, will support you to build for adoption and scale from day one.

Aim for simplicity and explainability

To build a high impact use case, favour simplicity over complex models. For example, don't prefer an 'unsupervised model' to search for previously unknown patterns in your data if a simpler analysis like regression can identify patterns with similar business value. A small gain in additional insight most likely will not outweigh a large investment to get a better but more complex model, especially when considering the downsides, such as the lack of interpretability of more complex models.

Secondly, trust in the model outcomes relies on the responsible use of data and analytics. A cornerstone of trust is the ability to explain results and demonstrate reliability. Statistical techniques like machine learning and Artificial Intelligence (AI) have opened a number of doors for People Analytics to make an impact. However, it requires knowledge to fully understand these techniques and we have seen these models used as black boxes in organisations too often. Black boxes limit explainability and trust in outcomes and hence having a negative impact on end-user adoption.

Invest in storytelling and visualisation

Storytelling is about translating analytics into understandable and actionable business insights. A good storyteller is able to connect the dots between different pieces of information and the context of a use case. By tailoring your story to a specific audience, their strategy, plan, needs, and their 'language', you can better maintain stakeholder attention and influence their decisions. Clear and understandable story lines should be underpinned by clear visualisations.

Translating the technical model results into tangible insights however goes beyond creating a visually appealing and interactive dashboard. When bringing the message of your results across, you should be mindful of concepts from behavioural science on how humans tend to make decisions. By visualising data in a certain way or highlighting different elements for instance, you can give decision makers a behavioural nudge to help them make more informed workforce-related decisions. Take a look at Figure 4: if the trend is something that you want to emphasise, then the right graph will highlight that point better, right?

2. How to build high-impact People Analytics use cases (continued)

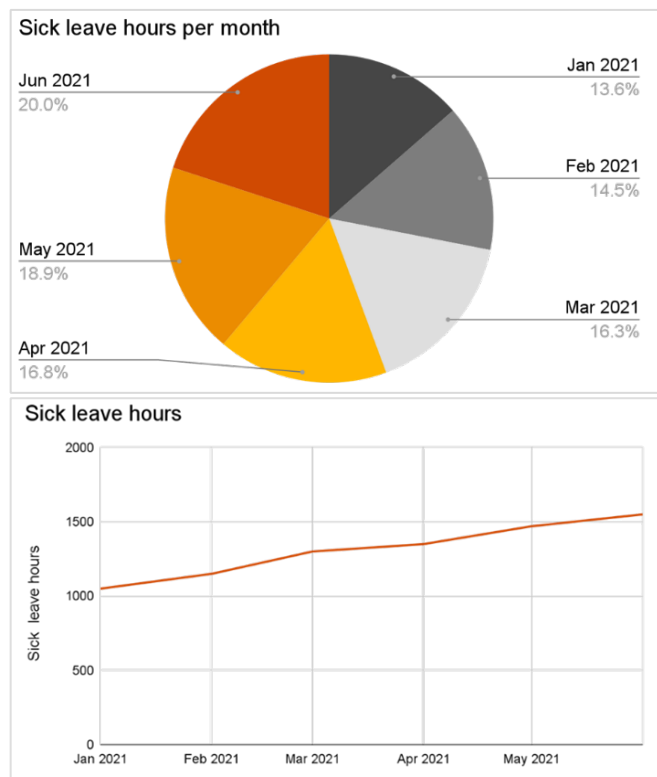


Figure 4: Effective visualisation can help to bring your message across.

Optimise the user experience

A compelling user experience helps to encourage staff to embrace People Analytics and the insights it brings. Key priorities include putting the end user at the heart of reporting design and consequently including them in all stages of your use case development. This helps to create solutions based on a deep understanding of the users and their needs.

An important aspect of the user experience is the look and feel of the end results. The visual appeal of your use case plays an important part in people's initial interest and willingness to engage. An intuitive and easy-to-use use case boosts take-up and helps users clearly understand the message you are trying to convey. This helps you to reach your ultimate goal: contribute to a more fact-based decision-making process regarding the workforce.

Alongside intuition, interactivity and simplicity are key - it is important to reduce the room for user error. This includes minimising the steps and tweaks users need to make. For example, if employees need to select an applicable team in the dashboard filter, you can put in

a filter based on the email address of the person logged in. This will enhance the user experience for employees. Apply this logic when developing your tools to make them as fail-safe as possible and, most importantly, test the final tool with your end users and provide training before implementing the tool in business processes.

Build holistic solutions

Finally, we recommend taking the wider HR environment and other use cases into account rather than looking at the different use cases in isolation (more on the latter in Chapter 4). This approach provides a holistic view of the solution's impact across the entire employee journey and its integration in the wider technology landscape.

To illustrate how this holistic approach might work in practice, imagine you are concerned about your turnover rates and decide to analyse employee retention. Your results show that many of your high performing salespeople are at an increased risk of leaving. Although this is a retention use case, it also has implications for other areas such as recruitment, learning and development, and compensation and benefits. Recruitment could potentially increase efforts to hire people to take over the work of possible leavers and thereby sustain operational continuity, now and in the future (strategic workforce planning). The learning and development team could potentially think about how to equip other employees with the necessary business acumen to mitigate the risk of sales staff leaving. The compensation and benefits team could rethink how to impact turnover rates by adjusting the employee value proposition.

To support creating this end-to-end solution, you would ideally bring together a diverse team during the use case initiation phase to identify and consider the touch points with other HR domains. Ideally, the team should consist of data modelling and IT experts, use case owners, employees working with this solution, and HR experts from different areas to provide as many perspectives as possible. This breadth of input helps to avoid siloed solutions and identify potential synergies or contradictions. It also helps to identify related analysis and solutions developed elsewhere. Integrating the use case into your wider technology landscape also enables you to link results from different use cases, leverage the use case to other areas and scale it to other business units.

Case study



Building holistic solutions and stakeholder engagement

One of our clients in South Africa was developing and implementing a tool to support strategic workforce planning in a data-driven and sustainable way. A big driving force of the organisation is the necessity to ensure that they are future ready in a fast changing industry. This means they are committed to and invested in their people. We supported the company in setting up a governance framework for their strategic workforce planning tool, data and approach. This included identifying key stakeholders.

Initially the selection of key stakeholders focused only on HR professionals in areas such as People Analytics, human capital efficiency and planning, senior management, finance, and line managers. But as workforce planning has multiple touch points across the employee journey and HR processes, additional stakeholders were brought in to be consulted during the implementation. These included experts in:

- learning and development (for upskilling and reskilling issues);
- talent management (for mobility, recruitment, retention, and new skills topics);
- employee relations, organisational effectiveness, and remuneration (for modelling action plans and interventions that affected workers and developing a strong change plan).

This holistic approach helped broaden the impact and value of the project. The client has used the workforce planning analysis to identify people in soon-to-be redundant roles. They have spent time developing reskilling and upskilling plans for employees, with the intention of improving employee retention, boosting employee engagement and morale, improving customer satisfaction and using it as a platform to attract new talent. The engagement and inclusion of the learning and development experts was proven essential in providing input on the viability of upskilling and the level of effort required and understanding how the reskilling will be delivered. The critical success factor is of course engaging the employees, which is why the employee relations and focus on the employee experience is key to supporting the success of the initiative and providing the desired results of improving retention, revenue, and profitability.

3. How to design a People Analytics function which is fit for purpose

Dream big, start small

Many of our clients struggle to make a real impact with People Analytics across the wider organisation, despite their focus on business-relevant topics. This may be due to a functional and technological setup which is not fit for purpose. The organisational culture shift required to change ways of working and embrace new data-driven solutions is often another challenge. To ensure that efforts are sustainable, we therefore recommend you think through the design and implementation of your target People Analytics function as early as possible and consider the environment in which you are operating; dream 'big', but start small and keep your efforts aligned with the workforce challenges you are facing.

The first step is to determine the future role that data-driven insights should play in solving your workforce challenges.

This ultimate ambition, together with the demands derived from your existing use cases and your overarching business and data strategy, will then define the technology, capabilities, culture, and operating model that you should aim for, both in the short-term (following on from your existing use cases) and in the long-term (following on from your ambition level). Clarity on your target 'to-be' state will help to identify the change needed in the current 'as-is' organisational set-up and capabilities to achieve your goals and set clear priorities for the actions ahead.

To identify the actions and initiatives required to bridge a possible gap between this 'as-is' and 'to-be' state, we suggest implementing a systematic approach to generating a blueprint for your target People Analytics function by performing a maturity assessment along the 5 dimensions of our framework, as outlined in Figure 5.

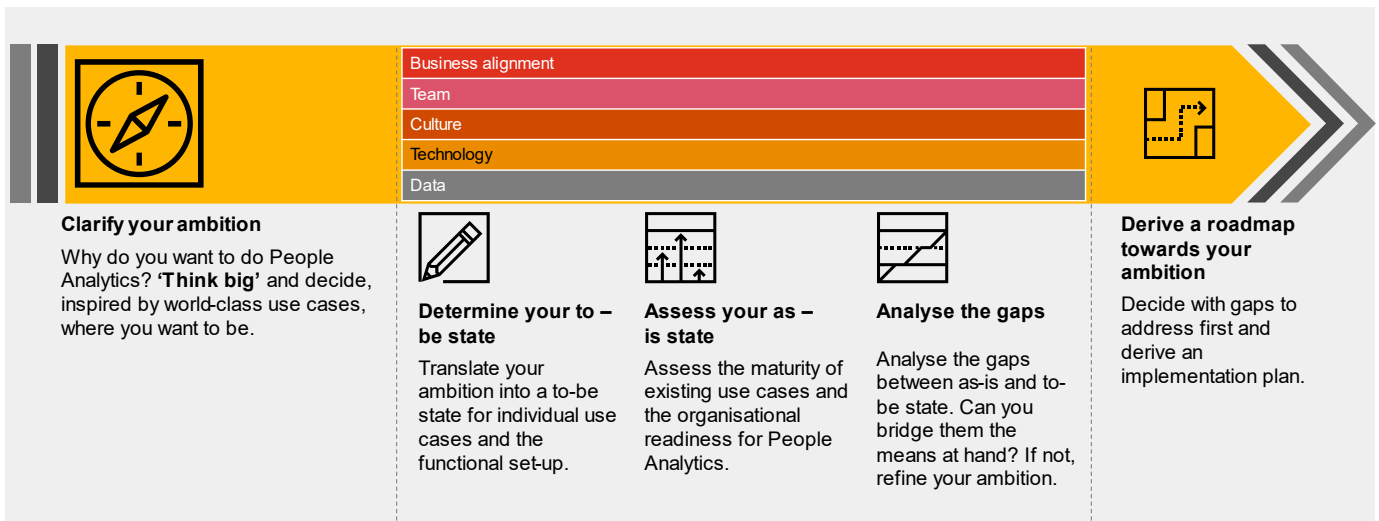


Figure 5: The steps to design an actionable roadmap towards your People Analytics ambition.

3. How to design a People Analytics function which is fit for purpose (continued)

Clarify your ambition

People Analytics has the potential to empower the HR function on its journey from scorekeeper to strategic business partner. It is therefore only logical to start defining your People Analytics ambition by looking at the business strategy and workforce priorities. Most HR functions fall into one of four primary roles:

- 1. Administrator.** The HR function carries out administrative procedures and responds to ad-hoc, often repetitive requests from different business lines. Many hard-pressed administrators have too little time for too much work. An advanced administrator benefits from efficient and reliable processes, allowing their HR teams to focus more on value-adding tasks.
- 2. Consultant.** The HR department maintains its role as an administrator to support the organisation, however, it also includes specialists who focus on different elements of the employee journey – from recruitment to resignation. At the request of the business, the HR team acts as a ‘consultant’, advising the company on the impact of its decisions on the workforce.
- 3. Strategist.** Many HR departments aspire to be a ‘strategist’ if they are not already. The strategist has a place at the decision-making table, engaging with business teams, providing proactive advice, and helping to shape the future of the company.
- 4. Game changer.** Game changers have succeeded in transforming the HR department and making it a

a driving force within the company. HR leads the way in advising and supporting both employees and the company at a strategic level. It also has a say in business decisions rooted in the continuous insights they produce and a clearly defined people strategy.

The ambition of the HR department in combination with the company culture and history determines to a large extent the type of People Analytics activities to aim at and the kind of use cases to pursue. It is important to remember that the more ambitious strategist and game-changer roles are not necessarily more desirable than the administrator or consultant. A small or medium-sized company for example may be better off handling the requests from its business partners on an ad-hoc basis rather than deploying predictive solutions, whereas a company with 50,000 employees might benefit from more customised, fully integrated dashboards for its different stakeholders.

Whatever the ambition, there are always areas for improvement: while ‘administrators’ typically have the most to gain from the automation of their score-keeping and reporting, ‘game changers’ will want to derive forward-looking insights or even actionable recommendations from high-quality data.

It is also important to note that opting to be an administrator or consultant doesn’t rule out further evolution at a later stage. The efficiency gain resulting from standardised and automated reporting can free-up HR resources to focus later on more complex tasks and create actionable insights. To set your north star for People Analytics, we therefore advocate thinking big and taking world-class use cases as an inspiration for what could be possible while creating small steps to better reach this ambition.

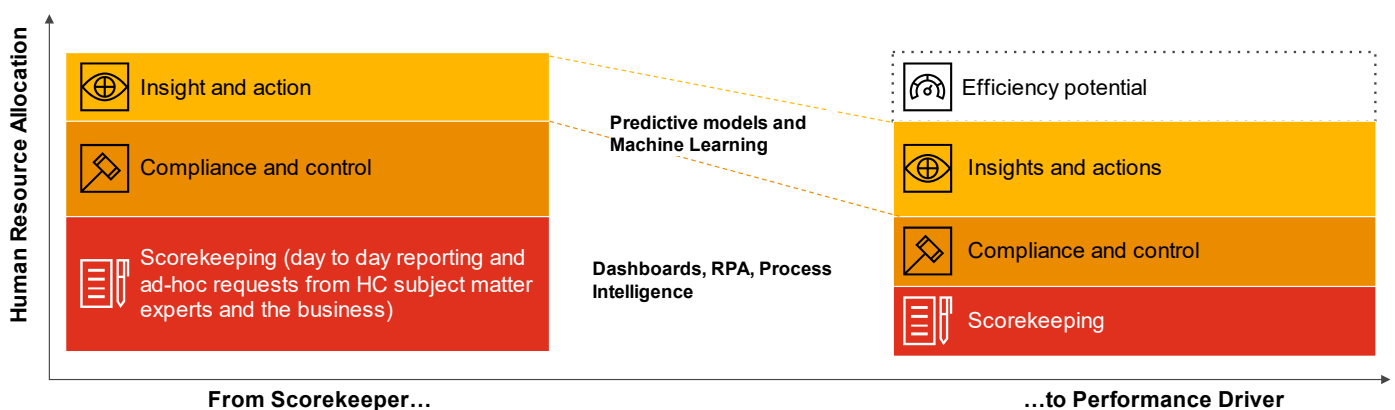


Figure 6: People Analytics increases HR’s efficiency potential, empowering HR to focus on more value-adding tasks and even to become a strategic business partner.

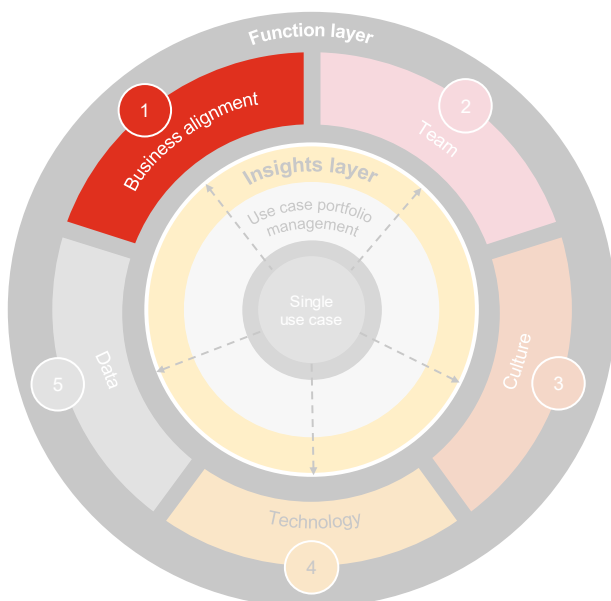
3. How to design a People Analytics function which is fit for purpose (continued)

Determine your to-be state

Your ambition level for your People Analytics, together with the use cases that you would like to cover, translate into requirements for your functional set-up that will transform your ambition into reality. People Analytics teams often operate in a complex ecosystem of internal legacy structures and use cases across IT, Finance, and HR, and external market developments. We therefore advocate defining a comprehensive target state blueprint for your People Analytics function, using the five dimensions of our framework introduced in Chapter 1: business alignment, team, culture, technology and data.

01 Business alignment

Without strong buy-in from the business it is hard to make the case for the investment necessary for reaching your People Analytics ambition. So how do you make sure that you create value for your ultimate stakeholders and persuade them to adopt and advocate data-driven decision-making on workforce challenges?



Solve business-relevant problems

Usually there are quite a few People Analytics use cases that your organisation would want to pursue, however the challenge is to identify pain points and prioritise them. For example, a statistically sound forecasting model to identify churn risk is irrelevant if you have no problem retaining employees. Some organisations fail to create value with People Analytics because they are not focussing on pressing business-relevant problems. So, when designing your strategy and identifying important use cases, think ahead and consider the impact of both internal and external challenges such as 'hybrid working', the 'great resignation wave' or environmental, social and corporate governance (ESG) goals for your organisation.

Effective use case management over the full lifecycle, as we describe in Chapter 4, is crucial to maximising the value of People Analytics. The use cases need to be systematically integrated into all relevant business processes. This requires not only the right technological set-up, but also that your end user take ownership of the developed solutions.

Align with firmwide data analytics aspirations and business operating model

People Analytics operates at the crossroad of HR and data analytics. The optimal operating model for your People Analytics is therefore not solely determined by your ambition level. It must also respect the boundaries set by legacy structures in HR and IT, the firmwide data strategy and the aspirations and setup of data analytics capabilities within the other functions teams such as IT, Tax or Finance.

3. How to design a People Analytics function which is fit for purpose (continued)

The People Analytics journey of Merck

The German science & technology company Merck is a large adopter of innovation and people analytics in its HR-function. Data and analytics provide a crucial element in its HR-strategy and enables leaders to make data-driven decisions. The focus of HR on data and analytics has made the department an example for other support functions within Merck. For more details, we refer to our comprehensive article **'The People Analytics journey of Merck'**.⁶

In the organisations we worked with, we observed different set-ups of People Analytics capabilities. In our view, there is no one-size-fits-all model for your People Analytics function and data governance. Each model has its pros and cons and you can work effectively with either of them if you actively mitigate the potential drawbacks of the different set-ups (we refer to our detailed study **'One data strategy to rule them all'**).⁷ For your People Analytics initiatives, decentralisation can limit the scalability of individual use cases across the organisation, whereas a centralised model requires translator roles within your team, which ensure the link between analytics and HR. The skills and roles required within your People Analytics team, as well as who ultimately sponsors them, therefore needs to fit your general operating model and company culture.

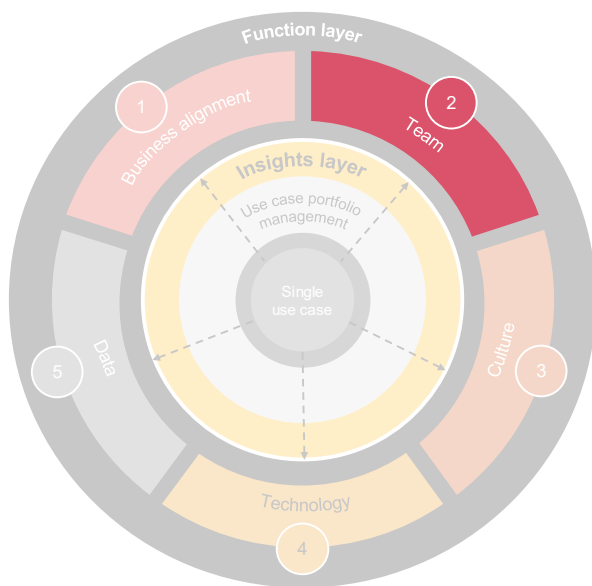
02

Team

In building your People Analytics function or broadening its scope in line with your ambition level and target use cases, it is important to define what skills and competencies are required. Furthermore, depending on the operational set-up in your company, you must establish which skills and roles are positioned directly in your People Analytics team and which ones you can leverage from other teams.

Gain a well-rounded skill set

Whatever the organisational set-up, a successful People Analytics team needs to rely on more than just strong data engineering and modelling skills. A good understanding of behavioural science research ensures that the People Analytics team is able to design the output of the modelling exercise based on solid behavioural science principles. Strong storytelling skills are needed to translate analytics results into business insights: you must be able to speak the language of your internal clients. In mature People Analytics organisations, 'translator' roles often serve as linking pins between business and data analytics. To trigger solution or tool adoption, strong visualisation capabilities and user experience (UX) design skills are key to creating a compelling and intuitive UX to boost the adoption of insights.



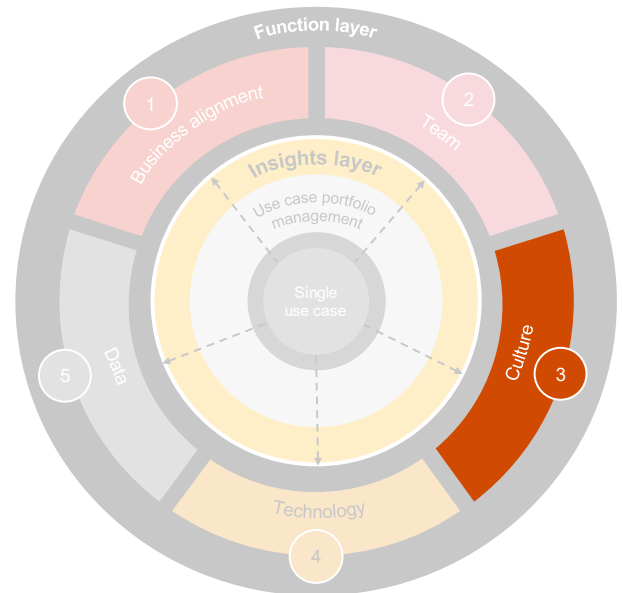
⁶ <https://www.pwc.ch/en/insights/people-analytics.html>

⁷ <https://www.pwc.ch/en/insights/digital/data-strategy-archetype.html>

3. How to design a People Analytics function which is fit for purpose (continued)

Gain a well-rounded skill set (continued)

Some of these essential skills are often already present in your wider organisation. For instance, your HR reporting specialist may be open to a new role and may already possess the right basis and mindset to develop data analytics skills, or a UX design training curriculum might already have been developed within your customer analytics department. Consider involving these existing resources in the use case development, while deciding on how to grow your team. The latter includes considerations regarding upskilling, hiring or buying in consultancy support.



03 Culture

A data-driven culture is critical for success and is just as important as having the right strategy, governance and skills to embrace and integrate data-driven solutions in day-to-day decision-making. As changing a company's culture and the people's mindset is notoriously difficult, you can focus on changing behaviours to influence action: for example incentivising the 'right' behaviour through individual or team KPIs regarding the use of data-driven insights will incrementally lead to the desired cultural change.

Build an organisational understanding

Along with addressing the skills needs of your People Analytics team, it is important to upskill the end users of your analytics, so they fully understand and harness the results of the tool or solution you deliver. Our general advice is to increase general data literacy with digital upskilling initiatives that focus on how to integrate data-driven insights into everyday work. You can also upskill relevant stakeholders 'on the job' by actively engaging them in the development of your next use case.

Co-creation with your stakeholders

Stakeholder buy-in is not only required to secure the necessary budget, but will also increase the adoption of your solutions. When developing, designing, and testing new tools and reports, let business stakeholders tell their story and take their perspective into account to build a solution that fits their needs. When putting a tool into production, spend enough time explaining how to use the results and integrate it into your day-to-day work routines. The more your stakeholders are engaged in the development phase, the more likely they are to adopt the tool and encourage others to use it as well.

Lead by example

Leaders should lead by example by demonstrating how they put data at the heart of their daily work and decision making. For example, CHROs can shape discussions in a more data-driven way by asking their teams "How can we make a more accurate decision on this using data?" or "What does our data tell us?". Encouraging this type of thinking will gradually help to create a more agile and data-driven culture.

Case study

Scalability and data-driven culture

A global offshore company approached us to gain a better understanding of its workforce. The company was struggling to connect information from different territories, branches, and departments, as HR data was collected in a different manner at local levels (e.g. through Excel spreadsheets). As a result, the company was unable to clearly determine key people metrics such as the total number of employees.

To solve this problem, we helped the company to collect relevant data from all operations and define a strategy and platform that would allow the business to manage their employees globally. We connected the global database to active directories, resulting in all local data being continuously updated. We designed standard templates that required minimal adjustments by local departments for a number of commonly requested analyses, greatly improving adoption and making reports and KPIs simpler and more consistent. Once the local data was captured and converted into the chosen HR platform, the global HR data source fed back into the local systems making the information available to the local HR teams as well.

Richer insights

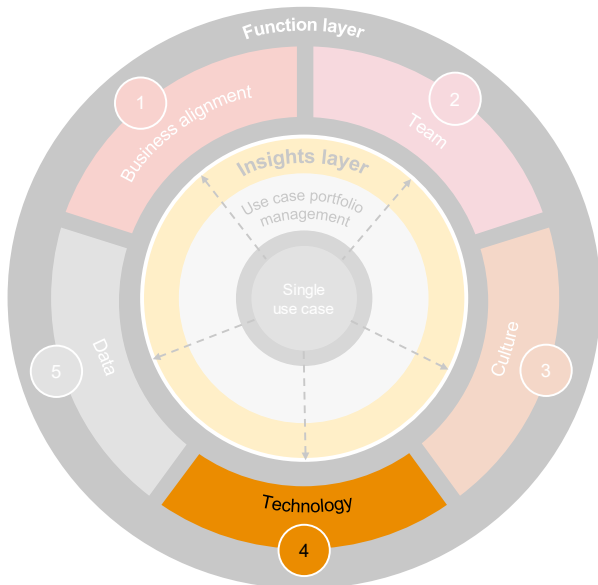
The new data availability and global alignment enabled the client to perform advanced analyses and gain more insights into their turnover and retention rates. As the platform and data were consistent globally, the attrition solution required only minimal local customisation, allowing for global identification of individuals and better alignment of HR strategy. Similarly, an absence module allowed for a more detailed breakdown of absenteeism, providing more insight into the frequency and trends of absenteeism.

Leader-led

A key driver for the project success was the effective leadership of the CHRO, who strongly promoted a data-driven culture. As one of the main drivers and ambassadors for the implementation, the CHRO actively used the insights provided by the new system. This enabled the CHRO to better substantiate his concerns to the board based, using data-driven insights.



3. How to design a People Analytics function which is fit for purpose (continued)



In-house or buy-in

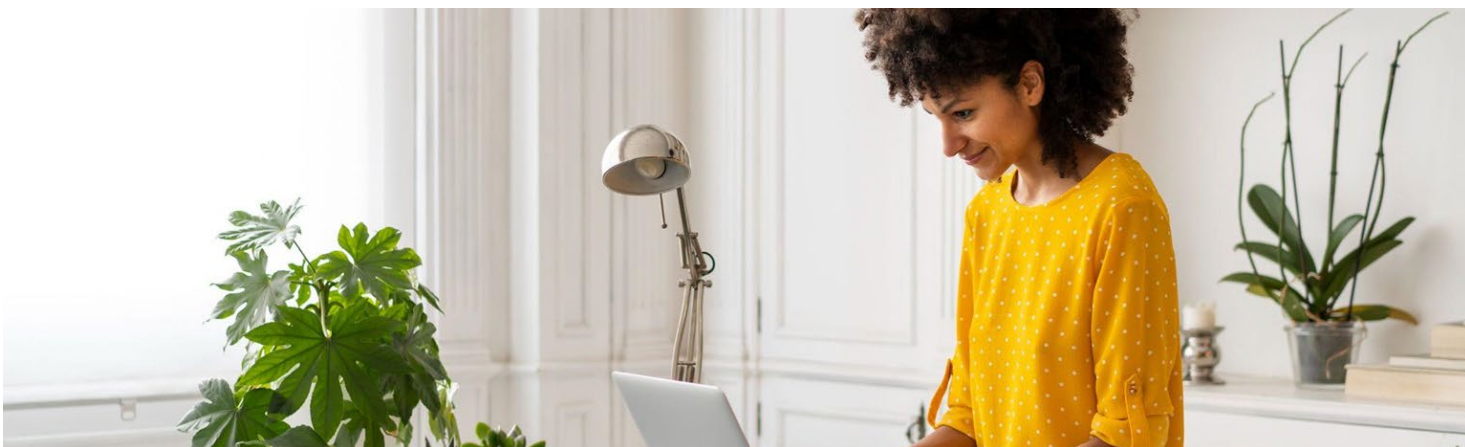
From equal pay dashboards to pulse surveys and strategic workforce planning forecasting tools, it gets increasingly difficult for organisations to navigate through the jungle of People Analytics self-service tools. How much you invest in licensing tools from external vendors versus in-house-building is guided by your ambition level, the capabilities you have available and your overall IT strategy. For instance, if your ambition level is administrator, you are not likely to need advanced models very often. If you need to identify payroll errors in such a situation and the required algorithm is complex, it is probably more efficient to buy a standalone solution from a service provider and bring in experts for maintenance, than building the model yourself. However, the more you invest in external solutions, the more you need to ensure that your People Analytics insights do not end up being scattered across disconnected 'silos'.

No matter your approach, it is important to ensure your technology landscape is a coherent set of interactive tools that supports the scalability of its use. The **PwC HR Tech Survey 2022**⁸ summarises more lessons learned from those that have already invested in HR technology.

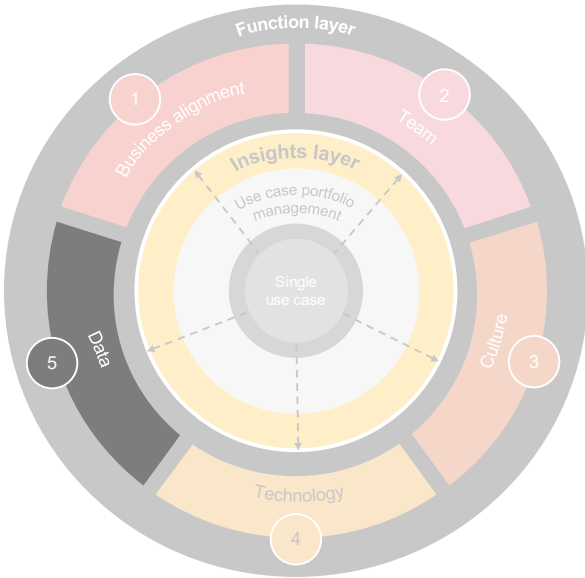
04 Technology

The People Analytics department has an important role in selecting the tools needed to provide the required insights. Keeping things simple but as advanced as needed is an important criterion (i.e. more advanced is not always 'better'). It is also important to strive for scalable end-to-end solutions: solutions which (1) can be fully integrated into your HRIT systems and reusable across different business units, and (2) have interfaces to all relevant data sources and tools. The right technological set-up serves as an enabler to ensure scalability.

⁸ <https://www.pwc.com/us/en/tech-effect/cloud/hr-tech-survey.html>



3. How to design a People Analytics function which is fit for purpose (continued)



05 Data

The scalability of your People Analytics use cases is dependent on a scalable underlying (HR) data landscape, which feeds into the tooling. How centralised your HR operating model and your (HR) data governance is, will probably determine whether your people data is stored in a central (HR) data lake or whether 'silos' are created for each business unit and function. Both can work perfectly well if you ensure connectivity between the different data sources. To build powerful use cases, the available data needs to be of a high quality, internally consistent, consistent over time, accurate, timely available, complete, and aligned with the model needs. The business question and modelling approach defines what data should be available, while limitations in data availability or quality will impact what modelling can be carried out or how insightful the results will be. Even the most sophisticated attrition risk model, for instance, cannot uncover the root causes for high employee turnover if you cannot connect your core HRM system to other important data points such as employee satisfaction data gathered in pulse surveys.

Given the personal nature and sensitivity of the data used in People Analytics, data policies and governance play a key role in building trust within your organisation. If you can establish trust, you will have greater licence to run your analytics and innovate effectively.

Compliance is not enough

You might assume that compliance with GDPR or local data and labour law regulations is sufficient. However, given the sensitivity of HR data, responsible use and ethics go deeper than compliance alone. In the study **'One data strategy to rule them all'**⁹ we argue that data access is moving from being restricted to being available by default. This democratisation of data raises several ethical questions: what kind of information should certain levels of the organisation have access to and what should be off limits? How can you make sure that decision makers do not (accidentally) misuse results? It is therefore key to set and enforce policies on how data is ultimately used and how access to it is secured. This also holds for the results generated based on the input data. This also becomes increasingly important as regulatory frameworks around responsible AI are evolving faster than ever.

Bias

Another important priority from a policy and ethics perspective is eliminating potential biases. For example, an AI application, used in candidate screening might reflect historic prejudices by learning from historical patterns to discriminate against groups of people that may be under-represented in the data set. In mature People Analytics functions, we often see that the role of a Chief Data Ethics Officer is established who develops a general data ethics framework and is included in the assessment of every potential use case.



3. How to design a People Analytics function which is fit for purpose (continued)

EU AI act

The EU aims to provide a legal environment in which opportunities and risks stemming from the use of AI are balanced. The AI Act aims for AI systems within the EU to be safe and comply with existing laws on fundamental rights, norms, and values (we refer to our study '[The Artificial Intelligence Act demystified](https://www.pwc.ch/en/insights/regulation/ai-act-demystified.html#:~:text=The%20main%20objective%20of%20the,fundamental%20rights%2C%20norms%20and%20values)'¹⁰ for more details). The expected rollout of the EU AI Act will require you to heavily liaise with your legal team. The advancement of AI and machine learning (ML) provides high potential in People Analytics, but most applications of AI and ML within HR will classify as high-risk under the EU AI Act. A high-risk classification creates new requirements regarding risk assessment including bias and fairness, governance, compliance, registration, documentation and inventory. These requirements will affect your activities throughout all phases of the use case lifecycle (see Chapter 4).

The overall to-be situation

The use cases you want to focus on and the five different axes that define the to-be state of your People Analytics function (business alignment, team, culture, technology, and data) are interrelated. There is a strong correlation between the different elements: the use cases will drive the required models impacting the data needs, culture change is an imperative to drive the business uptake of the insights, and technology needs may drive learning and development (L&D) initiatives under 'team'. It is therefore important to ensure that there is consistency in the ambition level of the different building blocks to make sure the overall function progresses in a controlled manner.

Assess your as-is state

After having defined the to-be situation for your People Analytics function and the use cases to focus on in order to reach your ambition, a structured analysis of your current activities and the as-is state lays the foundation for determining the next steps on your journey.

How mature is your People Analytics function?

What has proved to be successful for many of our clients, is to assess the as-is state along the same five dimensions that define the blueprint of your People Analytics function.

We have developed a quick scan to assess the maturity of your People Analytics on a 5-level scale, ranging from no systematic efforts around People Analytics to 'Leading' where you use state-of-the-art methodologies to deliver people insights with strategic relevance for the entire organisation. This scan allows you to quickly assess how your current functional set-up ranks with respect to your ambition level.

How mature are your use cases in production?

An important indicator of the strengths and weaknesses of your current People Analytics function are your existing use cases. To assess the maturity of your People Analytics function, your available use cases are ranked against best-in-class solutions, so that the maturity of each individual solution can be assessed. In addition, the set of use cases available is reviewed against those we see in the market, highlighting if there are use cases missing in your portfolio. The richness of your use case portfolio and the maturity of your individual use cases allow for a benchmarking and assessment on different dimensions that result in an overall maturity. This comprehensive evaluation allows you to identify room for improvement not only at use-case specific level, but also in the breadth of coverage and the functional set-up.

¹⁰ <https://www.pwc.ch/en/insights/regulation/ai-act-demystified.html#:~:text=The%20main%20objective%20of%20the,fundamental%20rights%2C%20norms%20and%20values>.

3. How to design a People Analytics function which is fit for purpose (continued)

Derive your People Analytics roadmap

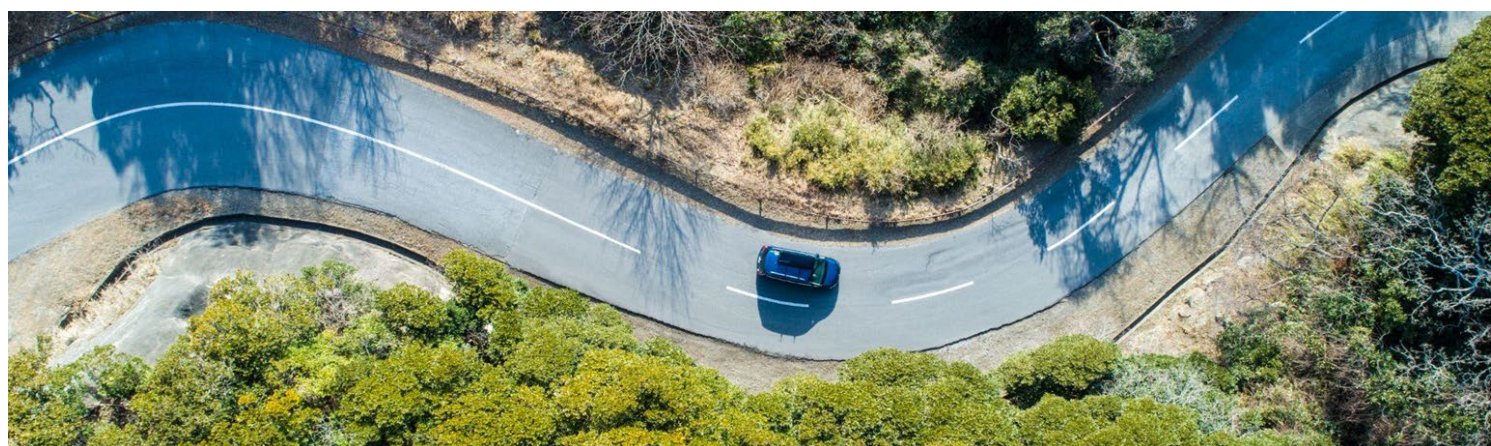
Once you have determined where you want to be and where you are now, the next step is to analyse the gaps on each of the dimensions defining your as-is and to-be state and what it takes to bridge them. To derive an actionable roadmap, decide upon which of the identified gaps you should address first. Priority should be given to removing the main roadblocks for making an impact on a use-case level, to quickly show success. At the same time, remediation actions with the highest business impact should also be prioritised. Therefore, balance your attention between the different focus areas in order to show results to the business, while progressing on your long-term plan. This translates into a short-term roadmap focussing on quick wins within the next 1-2 years to quickly show results and secure continued buy-in, whereas the long-term roadmap should systematically address your strategic goals.

Secure resources

The more advanced your ambition level is and the scope (and depth) of your use cases, the larger a possible gap may be compared to your as-is situation. Addressing this gap will require resources: time, people and budget. Given that these resources will be scarce, it is important to be realistic in defining your north star and to clearly articulate the great benefits of investing in people data and analytics to convince your stakeholders. Apart from a claim for resources, your roadmap should also include securing buy-in from and cooperation with other functions proactively. For example, you may need help from IT to connect data sources or improve the scalability of your technology landscape.

Moving target

Your People Analytics ambition and target state will evolve over time. Emerging technologies, new market trends or reorganisations may change the established priorities or uncover new requirements on your People Analytics blueprint. As we will describe in Chapter 4, the target state of your People Analytics function is therefore ever-moving and needs to be iteratively re-defined and complemented with a strong use case portfolio management.

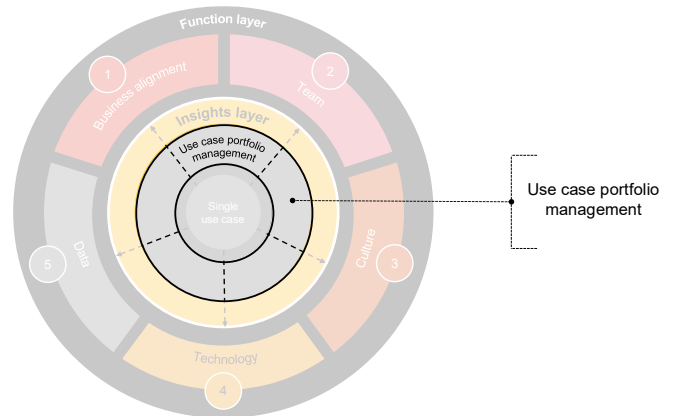


4. How to put your People Analytics blueprint into practice

Start and adjust along the way

After developing a target state blueprint and comprehensive implementation plan in line with your ambitions, the next challenge is managing a growing portfolio of use cases. Indeed, more internal resources, new tools, or the increasing attention and buy-in from the business can open up new possibilities regarding the use cases to pursue. A clear example would be the introduction of a cloud-based human capital management information system, which has proven to be a catalyst for strengthening the People Analytics function.

As the number of use cases grows, effective use case portfolio management is critical to ensuring your efforts remain focused. This not only involves prioritising the right use cases to develop, but also regularly (re-)evaluating the added value of each use case in production. In this way, you can ensure that you keep adding value and demonstrate business impact along your journey. Findings can also highlight strengths and weaknesses in your current functional set-up that may lead to adjustments in your target state or in the priority given to certain action items on the roadmap.



Manage your use cases along the full lifecycle

A People Analytics team typically pursues several use cases simultaneously; from a predictive modelling solution just ideated, a robotic process automation tool launched in a single business unit a year ago, to fully integrated 'slice and dice' dashboards deployed a number of years ago. A systematic portfolio management process keeps track of the success (and failure) of all these use cases across the four main stages of their lifecycle:

Ideation – transforming ideas into a business case, including building a Proof of Concept (PoC), to assess the impact, effort and technical feasibility of the proposed solution;

Development – turning the PoC into a Minimum Viable Product (MVP) and finally a pilot use case by gradually expanding the data sources and fine-tuning the model to validate the business case and measure user acceptance;

Production – fully integrating the solution into the technology landscape and scaling it to other business units, departments or territories;

Re-evaluation – monitor whether the deployed solution is still delivering the expected value to decide whether to maintain, upgrade or decommission.



4. How to put your People Analytics blueprint into practice (continued)

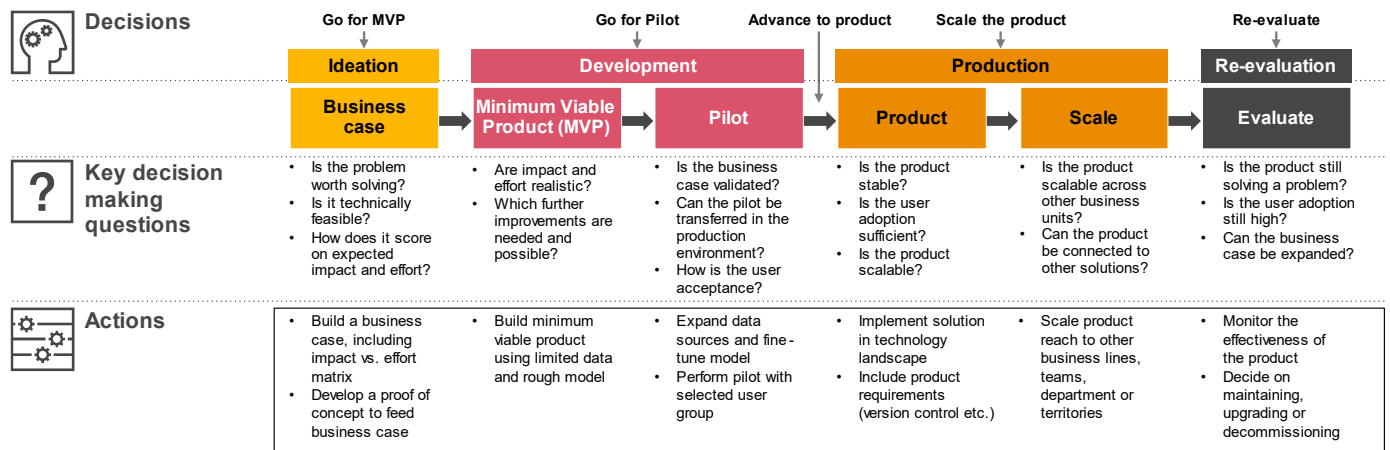


Figure 7: The key decision-making moments across the four phases of the use case lifecycle.

Whilst you may have many ideas on data-driven insights, database improvements or cost-saving automations that you want to pursue, the resources at your disposal are limited by definition and not all required data, tooling and skills may be available to carry out some of the use cases. Therefore a pilot will only be developed for some of them and even fewer will end up being deployed as an official tool.

The key role of an effective use case portfolio management is to prioritise the use cases with the largest value-add to the organisation and thereby actively steering which use cases to push from one phase to another, which ones to park and which ones to phase out. To do so, you should involve all relevant stakeholders and experts from your business, HR, IT,

and legal teams in this selection and provide them with guiding principles for each decision, see Figure 7. The frequency with which these decision calls are held may vary by phase. For example, the use cases to push from ideation to development need to be identified frequently in line with key decision-making moments such as quarterly SteerCo meetings, whereas the monitoring of deployed solutions can happen less often – or for instance be triggered by a major IT system update which requires a re-evaluation.



Case study

Promoting wellness at work through wearable technology

At PwC, business leaders wanted to gain a clear picture of the conditions that make workers either thrive or wither in order to tailor interventions and resources like workload adjustments or health and wellness benefits. That's why, in 2019, a pilot group of volunteering PwC employees in the UK began wearing devices connected to their work calendars. This way, the firm could receive anonymised data that linked, for example, stress levels to meeting sprawl.

What no-one expected was that the pre-COVID-19 mobility and biometric data of the volunteers would provide a useful baseline for better understanding work-life balance as the pandemic took hold. Over 2000 staff members volunteered to wear a wearable device during lockdown in just four hours. Some of the comparisons between this newly remote (and largely homebound) workforce and their pre-COVID peer group were unsurprising, like the 27% drop in daily steps walked. However, other data pointed to invisible and often insidious ways that disrupted work patterns could manifest physically and psychologically.

On personalised dashboards, the individual volunteers could check how particular work patterns are affecting their wellness and performance, as for example the impact of back-to-back video calls on sleep or the ability to switch tasks. This empowered volunteers not only to discover new ways of checking in with themselves, but also increased employee engagement and wellness. On a firmwide-level, the anonymised data in PwC UK's case showed a need to empower workers to take more frequent breaks. Team leaders were then also encouraged to explore innovations like walking meetings to increase movement.

We refer to [How wearable technology could promote trust and wellness](https://www.pwc.com/gx/en/services/people-organisation/leveraging-wearable-technology.html)¹¹ at work for the full article.

¹¹ <https://www.pwc.com/gx/en/services/people-organisation/leveraging-wearable-technology.html>



4. How to put your People Analytics blueprint into practice (continued)

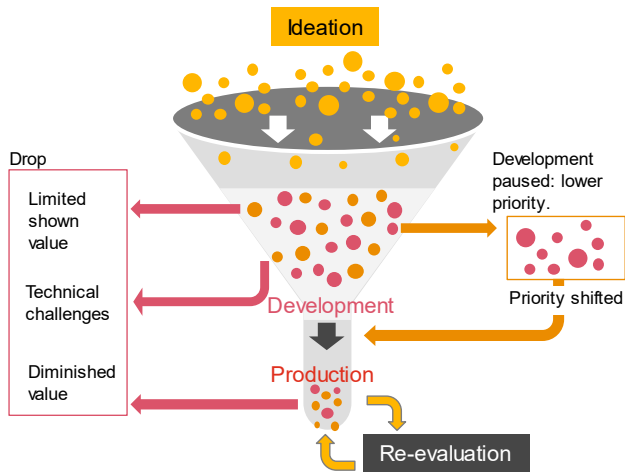


Figure 8: An effective use case portfolio management serves as a funnel to ensure that your efforts remain focused.

The extent to which the decision-making process across the use case lifecycle is formalised and standardised depends on the maturity of a People Analytics function. Yet, no matter where your organisation is at, a clear understanding of the key elements of each phase of the use case lifecycle and of the evaluation criteria relevant for each selection moment, will help you to better invest your resources.

Ideation

The starting point is gathering ideas for new People Analytics solutions. Potential sources include external market trends and technologies, discussions within the team, or suggestions and requests coming from employees and stakeholders in the organisation. Every promising idea should ideally be transformed into a business case to demonstrate whether the problem is worth solving and justifies the necessary resource investment at the expense of other ideas.

Feasibility and compliance as knock-out criteria

The first step is often to develop a PoC. This involves a rough version of the solution built on a sample data set and applying the proposed method to these sample data, together with a mock-up output. Additionally, the PoC should also account for boundaries set by the enterprise data strategy, as well as internal and external regulation around data privacy and ethics (we refer to Chapter 3 for more on data governance).

Technical feasibility or compliance can therefore act as a 'knock out' criteria if not met, safeguarding People Analytics teams from spending valuable time and effort in building solutions which will never be implemented. This knock-out criteria is also present in the other phases if new challenges occur later in the development or production phases.

Prioritise use cases based on the expected return on investment

After validating feasibility through the PoC, it is important to evaluate the expected cost-benefit of developing the use case. In this evaluation, it is important to ensure close collaboration across a diverse team, ideally consisting of data modelling and IT experts, use case owners, employees working with this solution, and HR experts from different areas, who can to assess use cases from all relevant angles and identify synergies with solutions already developed elsewhere.

For many organisations, a typical impact-effort matrix as in Figure 9 below has proven successful for this task. Examples include weighing up strategic importance against the modelling demands and complexity. The matrix allows you to identify quick wins (use cases with high impact and low effort), which should be prioritised on the short-term roadmap, and to identify use cases with low impact and high effort, which should be deprioritised. For use cases with high impact and high effort, we typically advise performing a more in-depth evaluation before pursuing this major project.

4. How to put your People Analytics blueprint into practice (continued)

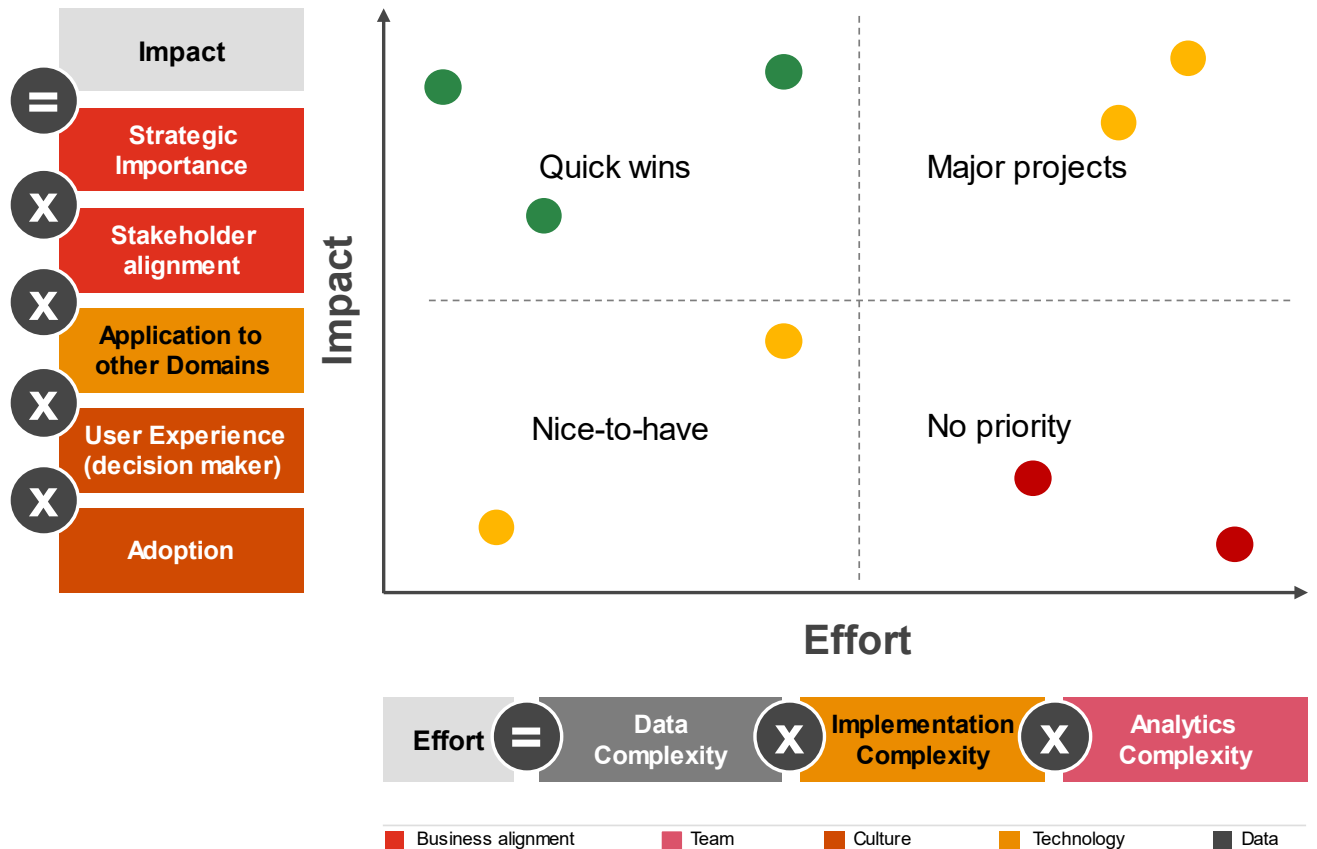


Figure 9: An impact-effort matrix can be employed to prioritise the right use cases.

Development

Once a use case is cleared to begin development, you may need multiple iterations and refinements to hone the business case and build this into the execution plans. As a first step, the initial PoC is often extended to an MVP to demonstrate value and feasibility. An MVP usually comprises a first rough analytical model or automation procedure based on a limited and cleansed data set or scope. In this phase, the generated data insights are typically not very accurate, or the level of automation remains low, but this exercise helps your People Analytics experts assess whether the estimated efforts to develop the use case are realistic. Entering in a dialogue with ‘early adopters’ at this point allows you to test whether the kind of insights generated are as expected.

If the MVP does not uncover facts which require you to re-evaluate the expected return on investment (ROI), performing a pilot with a selected user group is a natural next step.

During a pilot you will build towards the final product and expand the data sources and improve the accuracy of the product. In addition, by using the user feedback during the pilot for further development of the solution, the reach of the generated insights will steadily increase. It is crucial to involve the pilot user group in this procedure to make sure that the insights are tailored to their needs and that they are delivered in a user-friendly way. At the end of the pilot phase, all involved stakeholders, end users and developers, jointly assess whether the devised solution or tool validates the business case. In this assessment the user acceptance is of particular importance. In addition, it is important to think ahead and evaluate whether it is technically feasible to push the solution into the production environment.

4. How to put your People Analytics blueprint into practice (continued)

Production

If a pilot use case has validated the business case, found acceptance among end users and meets the requirements to be integrated into the tool landscape, you can decide to advance to the production phase. The pilot is turned into an officially deployed product which is accessible to all relevant stakeholders, potentially, with 'slice and dice' options or restricted access rights. As part of this deployment, it is crucial to also set up appropriate version control processes and regular data updates.

The rollout of a product usually happens in two steps. First, the solution or tool is distributed in a testing environment across one or several business units or entities to validate the feasibility of the integration into the technology landscape, the user adoption and the impact on decision making. If successful, the product is then scaled to other business units, teams, or territories. If technically feasible, its impact can be increased by connecting it to other relevant People Analytics solutions. For example, skill gaps identified in a strategic workforce planning tool should feed into your targeted L&D application.

Re-evaluation

Through careful monitoring of deployed People Analytics tools and solutions, you can proactively fix bugs or you can identify where additional input data or alternative analytics might increase business value. A fundamental cultural ingredient of the monitoring phase is also the readiness to acknowledge failure. One of your People Analytics initiatives may be failing to deliver value to the organisation and should therefore be adjusted, refined, or discontinued as appropriate. In this way, you can reduce your operating costs and make resources available to accelerate innovation in other areas.

To decide which tools and solutions to maintain, upgrade or decommission, you can perform a regular cost-benefit analysis across all deployed products. The benefit can be analysed by reusing the key value drivers of high-impact use cases described in Chapter 2; that is by assessing:

- Business value – is the deployed product still solving a business relevant problem?
- Adoption – is the adoption among end users of the product still high?
- Scale – can the range and scope of deployed product be expanded?

You can for instance reuse the business case developed in the ideation phase to determine how a specific use case scores across these three items and devise a common score chart to rank them against each other. As part of the re-evaluation, it is also important to evaluate the maintenance cost of each deployed product and if potential alternatives have become available. For example, a newly commissioned analytics platform on top of your HRM system might provide standard dashboards that can replace your maintenance-intensive bespoke dashboards.

Adjust the blueprint as your ambition and use cases mature

Monitoring your use cases in production also gives you additional insight into why some succeed, and others fail. Sharing these insights openly with other analytics teams across different functions underpins the importance of People Analytics within your wider organisation. These 'lessons learnt' should also be incorporated in the development and prioritisation of new use cases and can identify changes that are required in your functional or technological set-up to make the most out of your future use cases. We therefore advocate to regularly take a step back and re-evaluate whether the target 'to-be'-state and the set-out implementation plan are still fit for your People Analytics ambition. Performing a light version of the gap analysis outlined in Chapter 3 then allows you to shift priorities on your short- and long-term roadmap as your People Analytics use cases mature.

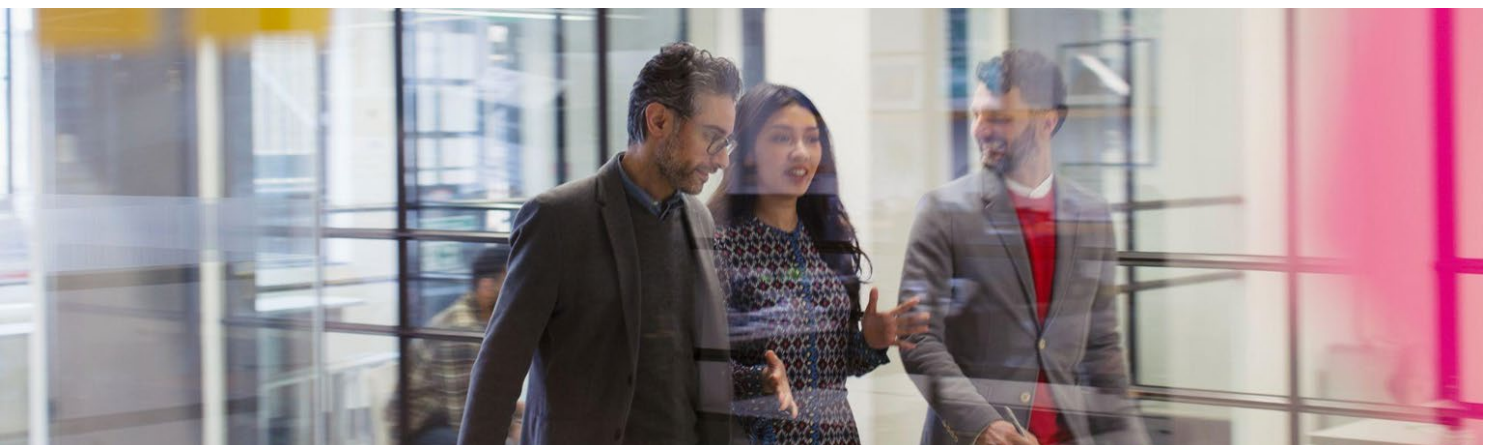
5. What is the next step on your People Analytics journey?

Once you know where you are and where you want to be with your People Analytics function, you should embark on the journey. The steps set out in this paper are designed to give you and your organisation the direction, means and buy-in to move forward. However, achieving your ambitions does not happen overnight. It is important to focus on each step outlined and incorporate the various elements of the framework as your strategy is rolled out and gathers acceptance across the business. Dream big, start small.

It can be difficult to decide where to start as you look to become a more data-driven HR department. In our experience, the best place to begin is by identifying your biggest workforce challenge. You can then set up a single project to resolve that problem, whether that is by creating more insight into root causes and KPIs, by removing bottlenecks in critical HR system processes through automation or by building a predictive model and evaluating different intervention scenarios. This allows you to demonstrate the impact of your People Analytics from day one and to gain traction across the organisation – show, don't tell.

During this initial project, your team should reflect on what is going well and what elements need to be improved. By iterating new solutions and re-evaluating your strategy, current maturity and priorities against your ambitions, you should gradually move towards your north star while making an impact along the way.

Finally, we would like to emphasise that your People Analytics' initiatives should aim to have a positive impact on the business, either by addressing an organisational or employee pain point. It is vital that the business recognises the value of People Analytics initiatives. An obvious but often overlooked principle is: do not assume what people need, ask them! By focusing on both business and people needs in your next use case, you will find it easier to gain stakeholder buy-in and demonstrate the added value of People Analytics.



About the authors

The authors of this paper come from various backgrounds and bring in different perspectives on People Analytics. The different areas of expertise and experience of the team are reflected in this article.



Bas van de Pas

PwC EMEA People & Organisation Lead, Cross-Territory People Analytics Sponsor

"Analytics should be as simple as possible, and as advanced as necessary to produce the insights needed."

Linda Vos

PwC Switzerland and PwC EMEA People Analytics Driver

"It is critical to translate data-driven results into explainable and practically actionable insights so decision makers can make "responsible" decisions based on them."



Bernice Wessels

PwC South Africa and PwC EMEA People Analytics Driver

"We need to continuously adapt, innovate, design and rethink the future to remain relevant. Analytics can help drive this continuous change requirement"

Wouter Karman

PwC Netherlands People Analytics and Responsible AI Expert

"Not adopting responsible advanced analytics is a risk to business value and your ethical principles, especially when the regular process is based on instinct and gut feeling."



Kseniia Golubnycha

PwC Netherlands HR Transformations Expert

"People analytics is only effective if it's embedded into the organisation's culture and ways of working, so all technical efforts should also be underpinned from a people side"

Silja Haffter

PwC Switzerland Data & Analytics Expert

"Analytics is a people business: building trust in your maths through upskilling and transparent communication of the results is as important as a high-performing model."



Together the authors have conducted numerous People Analytics projects for local and global clients solving People Analytics questions, ranging from strategy to execution. The People Analytics framework is the result of the insights and lessons learnt from these projects which should provide you with guidance and inspiration on where to start or continue your People Analytics journey.

Contacts



Bas van de Pas

Partner

bas.van.de.pas@pwc.com

+31 (0) 6 22 63 83 99

Marlene de Koning

Director

marlene.de.koning@pwc.com

+31 (0) 6 52 73 81 38



Wouter Karman

Manager

wouter.karman@pwc.com

+31 (0)6 83 55 95 18

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