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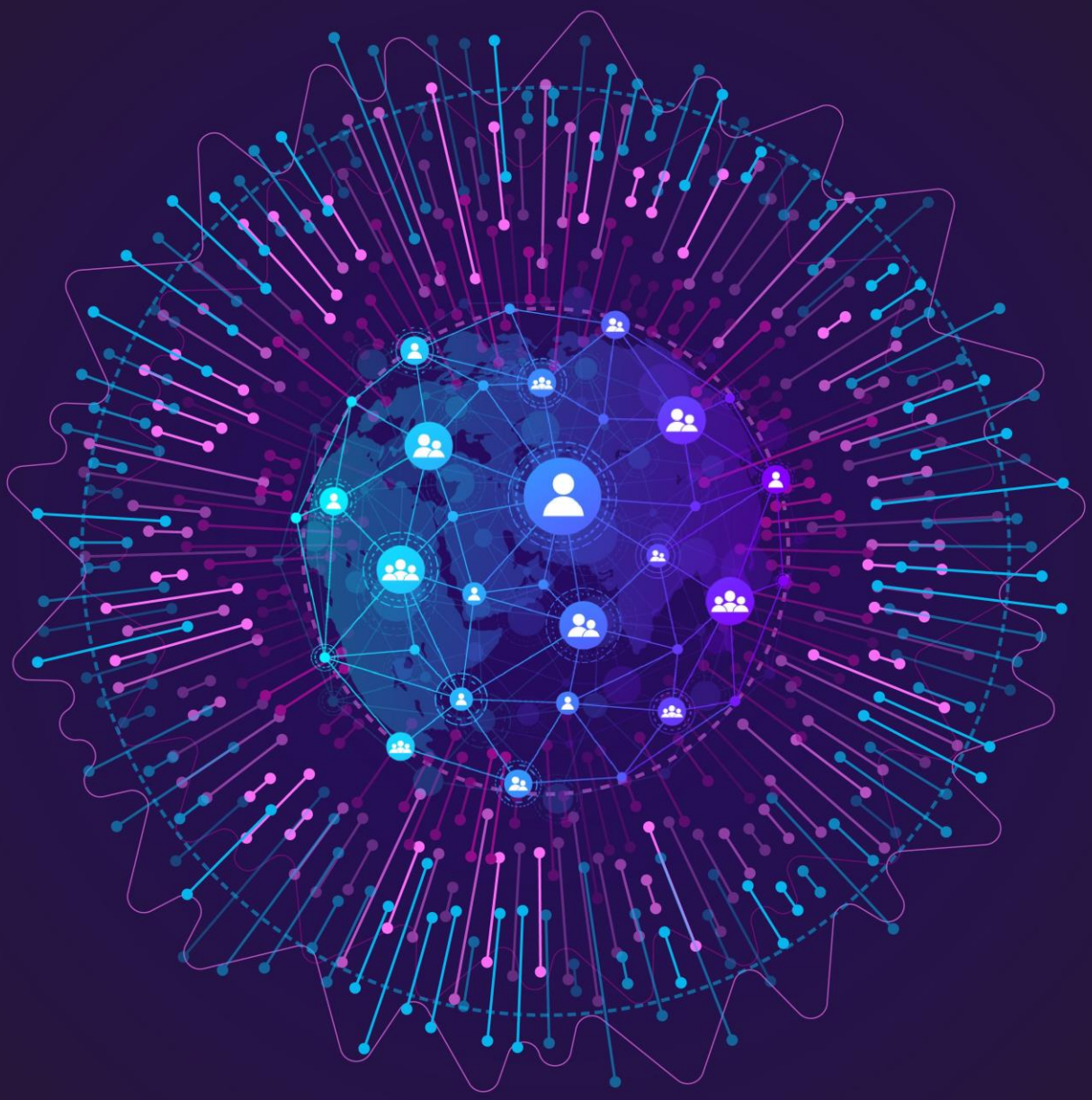

People Analytics Maturity in India - 2022

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Foreword

The best of both worlds – people and analytics

In the recent years, we have experienced unprecedented disruption in the work we do and how we do it. Digitisation, the pandemic, and shifting workforce priorities have significantly impacted the workforce and led to a general realisation of the need for a radical shift amongst business leaders.

Over the last decade, HR technology has propelled the function to evolve; however, investments in technology have not translated into insight-driven decision making. Organisations are now increasingly turning to data to navigate these challenging times. Hence, we believe that people analytics will be the next game changer, not only for CHROs, but also for CXOs in improving performance and productivity, harnessing well-being, managing attrition, reskilling, and more.

The Deloitte Human Capital Trends Report in 2020 report indicated that over 65 percent leaders are now planning for unforeseen events and trying to predict scenarios of how work will be done, who will it be done by, and where it will be done through data. Despite increased attention around people analytics, our hypothesis was that corporate India is yet to adopt people analytics at an institutional level.

This gap, between the sense of urgency and the actual readiness, prompted us to take a closer look at the Indian market, where a few interesting themes emerged:

- The understanding of people analytics amongst organisations is dissimilar. Most organisations believe that deploying an HRMS (Human Resource Management System) takes care of most of it.
- Few organisations have a clear data strategy and infrastructure in place.
- Attrition- and retention-related use cases are predominantly in focus, but the aspiration is to do more in employee experience, employee listening, and well-being.
- All organisations have embarked on this journey; however, each has their own route, approach, and destination.

We also found that 77 percent of the organisations that were a part of our study were either at Level-1 or 2 of maturity, whereas only 2 percent were at Level-4. There is a need to shift this balance for the business, workforce, and HR professionals.

To get started on this journey, it is imperative to realise the potential of people analytics and demonstrate its impact, through the following:

- Outside-in approach: It is critical to have an end goal in mind. Data analysis should be driven by an end objective, which could range from achieving a specific business outcome, improving employee experience, or making the HR function more efficient, effective, and business relevant.
- Leadership buy-in and a data-driven culture: For people analytics to succeed, the leadership needs to see the value and impact of the interventions and drive decision making through data by imbibing it in the organisational culture.
- Getting the right skills for the job: To get the right combination of skills, the HR team will need to be upskilled and data literate, and team up with cross-functional teams (HRBPs, function heads, IT architects and software developers, data analysts, and scientists).

We hope this report helps you realise the potential of people analytics and get started on this journey.

Nitin Razdan
Partner, Consulting
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Introduction – The What and Why of People analytics

Over the last decade or so, the most significant trend across businesses has been the push to go "digital". This does not only entail adopting technology and modern tools in daily operations, but also calls for a mindset shift amongst leaders and the workforce. The pandemic accelerated the shift towards digital ways of working, with organisations implementing and embracing technology solutions that would have seemed impossible a few years ago.

As business models, the workplace, and expectations of the core workforce change, the HR function will have no choice but to move along and make this digital shift. This translates to providing real-time actionable insights, as well as helping the business predict, prevent and respond to people-related challenges. This is where people analytics plays a significant role.

What is People Analytics?

People analytics (PA) is the analysis of people and organisational data with the objective to reveal insights and provide recommendations and corresponding interventions that add value to the business, improve employee experience, and enable the HR function to be truly data driven.

People analytics allows organisations to gain insights from available data so that they can make evidence-based decisions to improve organisational performance. With the implementation of best-in-class HRM systems, along with the ability to capture data from non-traditional data sources, organisations today have an extensive amount of data about their people—demographic and performance data, job history, compensation, training, wellness, customer satisfaction, team relationships, collaboration patterns, and so on. The potential for people analytics, therefore, has never been greater. It is expected that the impact of people analytics will only increase in the coming years.

Why People Analytics?

People analytics solutions can make sense of data, turn it into useful information, and enable predictive and prescriptive insights for enhanced decision making. It is important to note that people analytics is not about acquiring state-of-the-art HR tools, but using them to generate insights for informed business decisions.

Some benefits of people analytics are as follows:

Quantifying impact of traditionally qualitative decisions

For decades, organisations have struggled with quantifying the impact of various people-related decisions, such as talent acquisition, employee performance, learning and development, and career progression. People analytics enables the HR function to generate meaningful insights and assign a rupee value to talent decisions to further sharpen business-level decision making around investments required, the impact of those investments, and potential outcomes from similar investments.

Measuring the efficiency and effectiveness of learning programmes and how the investment in them equates to business outcomes, use of optimisation models and machine learning for workforce planning, use of organisational network analysis to identify unproductive capacity, and accurate attrition prediction are some examples of people analytics use cases where you can create measurable impact with the appropriate interventions and quantify it.

We have seen organisations across geographies and sectors successfully achieve this. A global investment bank and financial services firm ran a churn analytics programme. By being able to retain high-performing employees who had a high flight risk, they saved approximately US$70,000k a year.

Improving employee experience

Using people analytics enables the business to understand core people issues, especially those that are not spoken about openly, and solve for them proactively. The degree of automation and efficiency of several HR processes has a direct impact on employee experience as do the ways in which people use technology to interact and work with each other. Employee experience is an interesting space as it constitutes multiple organisational, digital, physical, and human experiences of the employee. Process efficiency, people interaction, organisational infrastructure etc., contribute to the employee experience. Amongst the organisations we spoke with, one did a tremendous job in their pre-hiring experience for employees. The process was so diligent that even candidates who did not get through, spoke highly of the organisation. Over the years, the organisation was able to reduce their branding budget by continuously improving the candidate experience. Another organisation we spoke to was struggling with the feedback their people were receiving. They are now using an ML algorithm that prompts the feedback provider on things they have missed, or if their feedback is not specific or actionable.

Making our HR function more effective, efficient and business relevant

People analytics helps HR use data to make more objective decisions and collaborate with the business by engaging in data-backed, concrete, value discussions. Being able to access and share information and insights from people data in reports and dashboards in a standardised form at a regular frequency would reduce the time spent by HR in operational data consolidation and cleaning tasks. Having KPIs and metrics that are important to the C-suite and being able to use data to predict, plan, and forecast scenarios will make them more valuable as a function. It would be really useful for the learning function to be able to measure the ROI of the investments in various learning programmes. A large Dutch FMCG retailer used analytics (A/B testing) to understand and analyse the impact of training. They found a 400 percent ROI on their training programme within the first year.

Absenteeism and the resulting productivity loss has been another challenge for HR teams. With access to data and insights, HR teams could understand the cause of absenteeism and take the required actions to reduce it. An international energy company formulated multiple hypotheses, to understand the reasons and tackle employee absence. While the opportunity to sell back untaken holiday did not increase absenteeism, not taking days off once in a while, did have a negative impact.

Deloitte's People Analytics Maturity Study

Of the respondents to Deloitte's Human Capital Trends survey in 2020, 56 percent said that their organisations had made moderate or significant progress in adopting people analytics over the past 10 years.

Although many business leaders predict a promising future for people analytics, most organisations are on an uphill journey to make people analytics an organisational reality. This prompted us to take a closer look at the Indian market and share our findings with the broader HR community.

The purpose of our People Analytics Maturity assessment study is to:

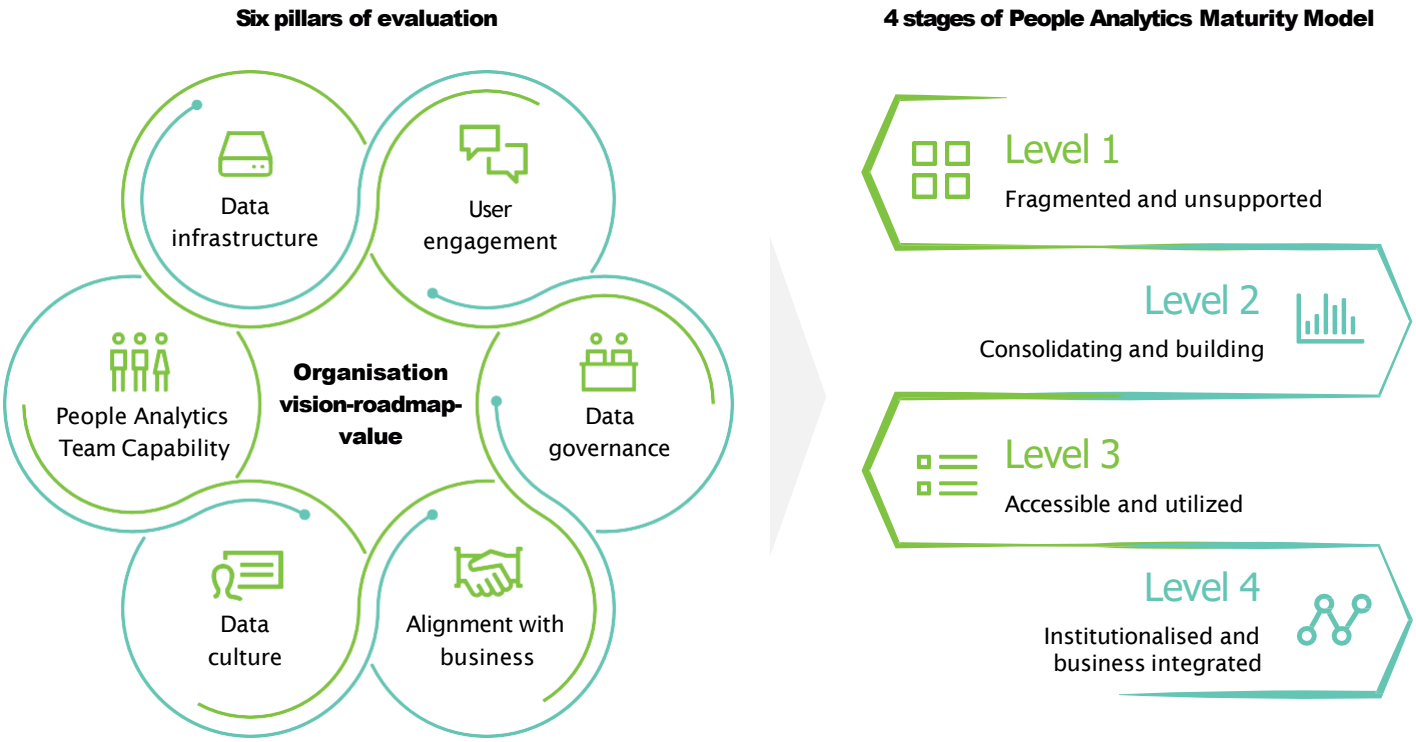
- Understand how far along corporate India is on its journey towards realizing the impact from People Analytics
- Understand some of the business-critical questions that can be answered by People Analytics
- Understand the current and aspirational People Analytics use cases which are most pertinent to organisations
- Understand some of the key challenges around institutionalising People Analytics
- Provide a broad framework to build up People Analytics capabilities and get started on the journey

We conversed with and surveyed over 80 Indian HR leaders and professionals from across organisations in India. These included a range of industries, such as automotive, BFSI, FMCG, health care, industrial goods, insurance, energy, oil and gas, real estate, and technology.

Deloitte's People Analytics Maturity Model

Our research and analysis are based on Deloitte's People Analytics Maturity Model. The model constitutes of 6 key pillars to identify People Analytics Maturity in an organisation, which are depicted in Figure 1.

Figure 1: Six Pillars of Evaluation for Deloitte People Analytics Maturity Model



People Analytics Team Capability
This pillar talks about the responsibilities and skills of the team and how they can be defined and developed further. It refers to the operating model and skills required for translating analytical language into business language and vice versa. This also includes the people analytics team's size, skills, and mandates.

Data Infrastructure
This pillar includes the type of analytical tools and technology needed to successfully execute people analytics activities, streamline data integration, and enhance accessibility. It can also be referred to as a technological ecosystem, i.e., the processes and resources required for the collection, integration, storage, maintenance, delivery, and use of data by stakeholders. The three components of data infrastructure are hardware, network, and software.

User Engagement
It refers to the level of personalisation of employee experiences, data democratisation, and benefits to key stakeholders. It includes ways in which the organisation ensures that people analytics data, insights, and inferences are available, accessible, and relevant for key stakeholders in the organisation.

Data Culture
This factor covers the organisation's propensity to take data seriously and make data-backed business decisions. It covers the willingness of other functional and business leaders to support and champion people analytics-themed initiatives.

Alignment with Business
This factors in the types of stakeholders that people analytics teams will interact with to create impact and deliver value. This pillar measures stakeholder involvement in utilising people analytics to take effective business decisions and the top management's need to align people analytics with business decisions.

Data Governance
This factor refers to the mechanisms, processes, and procedures of data management. It underpins all analytics and ensures that the right people provide direction for work, the structure and stewardship for managing data and projects are implemented and applicable, and that risks are managed appropriately. It focusses on the safeguards in place to protect data privacy.

Based on these six pillars, the People Analytics Maturity Model evaluates Organisations and identifies the right level of maturity for that organisation.

There are four levels of maturity as defined in the Maturity Model – which are depicted in Figure 02

Figure 2: Stage of Deloitte People Analytics Maturity Model

	Fragmented and unsupported	Consolidating and building	Accessible and utilised	Institution-al-ised and business integrated
People Analytics and team capability	Limited capability with focus on reporting	Specialised PA team defines data needs and uses embedded analytics tools	The PA team offers predictive insights using advanced, and interdisciplinary analyses	PA team has a forward-looking approach using real-time data and delivery is enhanced by innovation
Data infrastructure	HRIS reports and spreadsheet-based delivery	Automated reports and dashboards in response to ad hoc requests	Automated and personalised dashboards after understanding business & capability needs	Integrated data infrastructure, advanced solutions, and third-party expertise is used
User engagement	HR leadership is a primary customer for PA work	Serves across the HR function	Established customer base across HR and businesses	Serves wide array of internal and external stakeholders
Data governance	No or limited role in data governance with issues in data quality	Visible but limited role in data governance	Prioritise governance and ethics	Prominent data governance and high-quality data
Alignment with business	Intuition-driven decision making	Talent decisions based on intuition but validated by data	Talent decisions taken after analysing data and insights	PA integral to business, talent, and daily course decisions
Data culture	Lacks basic skills	Building data literacy and skills through learning opportunities	Enhanced data literacy and learning through experimentation	Data skills permeate HR career paths with focus by focusing on learning for all

Key People Analytics Themes Observed

Theme 1: People analytics ≠ HRMS implementation

While HR leaders across organisations have a varied understanding of people analytics, the most common misunderstanding is considering people analytics to be equivalent to an HR management system. People analytics is a much larger construct that is downstream to HRMS implementation and focusses on using data for business impact. Access to data is critical, but it is only a starting point. People analytics is about making data easily accessible, democratised, usable, and insightful.

A few organisations view people analytics within their organisation with a strategic lens. One of the organisations we spoke with, wanted to move from dashboards to "insightboards" as part of their people analytics journey. To this organisation, people analytics was about the availability of actionable insights. Another organisation approached it with a "value" lens. Every people analytics project started with a hypothesis on an intervention that would create value for the organisation. One of the people analytics projects was aimed at identifying skill gaps between the existing workforce and the future skills required for the business. Using skill proximity algorithms to determine who would be able to pick up the desired skills more easily, they were able to optimise their build vs. buy decisions for their growth. This helped them save hiring costs, optimise learning costs, and also provide a growth path to their employees.

Madhuri Mehta
Chief Human Resource Officer, Emaar India

> I look at people analytics function as a doctor, who can diagnose what the issue is with access to all diagnostic reports, scans, ECGs and all kinds of tests. We are at a stage where we have all test reports available, just need a good doctor to make the right diagnosis and consequently lead to the right prescription.

Theme 2: Data is not the new oil

If data really had been the new oil, organisations would have been more diligent in how they collect, clean, store, and govern data. Our research shows that around 75 percent organisations do not have their data strategy and infrastructure in place. Most are in the process of cleaning and trying to integrate historical data. The inaccuracy and incompleteness of historical data, absence of data governance processes, lack of uniformity in units of measurement, and incompatibility between tools used in data gathering are huge roadblocks, and continue to be the biggest impediment in realising value from people analytics initiatives.

Organisations are struggling to formulate robust data collection practices and policies. For starters, they need some amount of direction around the kind of data that needs to be tracked, how that data can help the overall business objective, and the insights they are looking to draw from this data.

Organisations that understand the long-term value of accurate and accessible data have invested in data marts and data lakes, which offer immense opportunity for deep-dive analysis and value realisation. Organisations, where these data marts host people data along with other business and organisational data, are able to link business value to people. One of the organisations we spoke to had taken on this journey a couple of years back, and with the help of HRMS, now have access to clean data across the employee lifecycle. Another organisation that was a part of our study and has its presence in other geographies along with India, has implemented analytics tool that provided them with access to data and dashboards in real time.

Less than 11% of the organisations interviewed said that they have automated and personalised dashboards that provide real-time data for relevant stakeholders.

Ahmed Sabih Kidwai
Director HR, Schneider Electric, India

I believe the biggest impediment to getting people analytics right is the data inflow. We are able to generate meaningful insights when we are able to bring quality data for analysis/analytics from multiple sources. Currently, for most MNCs, the data is residing in disparate systems, and there is a significant effort required to connect it together.

Theme 3: Overwhelmed by attrition; wish for more

Over 60 percent of the organisations we interviewed mentioned attrition prediction and retention as an area of focus. While attrition has always been a critical issue to address for India Inc. and relatively easier to tie with end business outcomes, the pandemic triggered a change in the expectations of the workforce, resulting in the "great resignation" and "quiet quitting" phenomena. As shown in Figure 3, around 40 percent organisations (24 percent of the total interviewed), who talked about attrition as a current use case, either have an attrition prediction model or are working on designing one. The remaining 60 percent organisations (36 percent of the total interviewed) have started with a trend analysis, and aspire to develop predictive models.

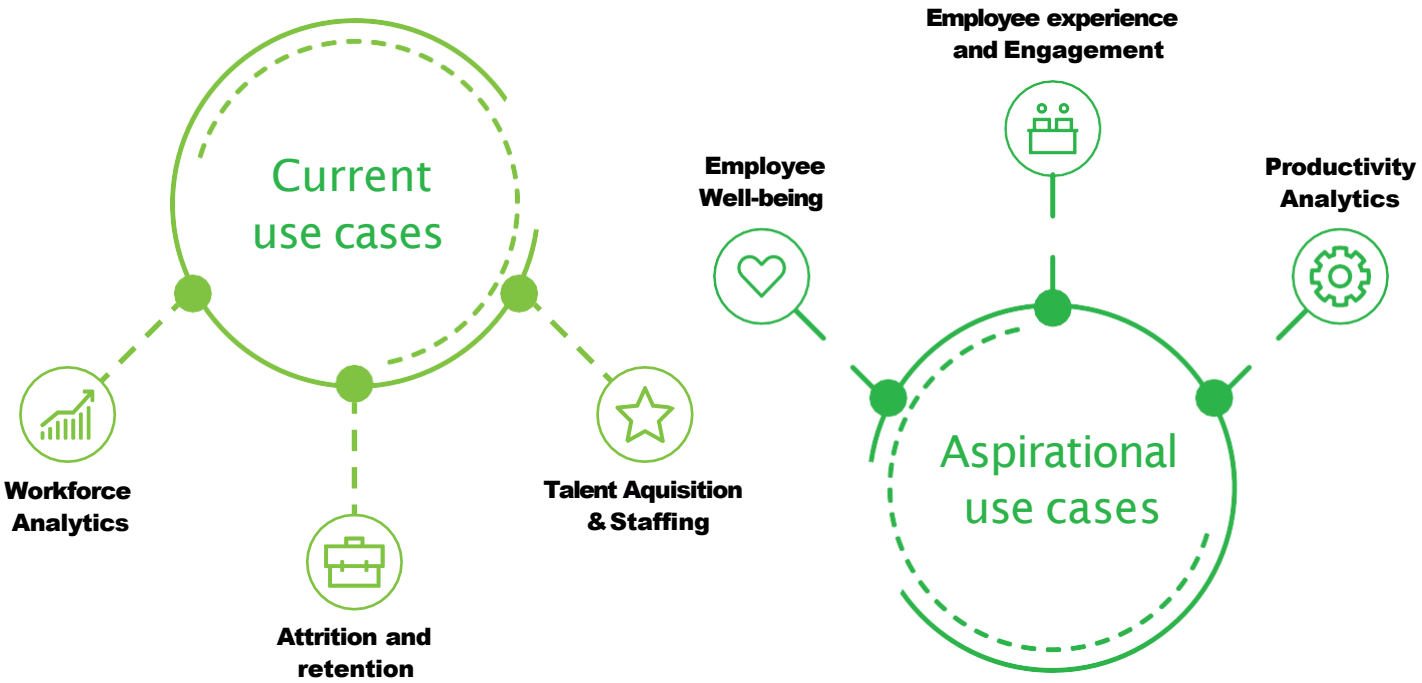
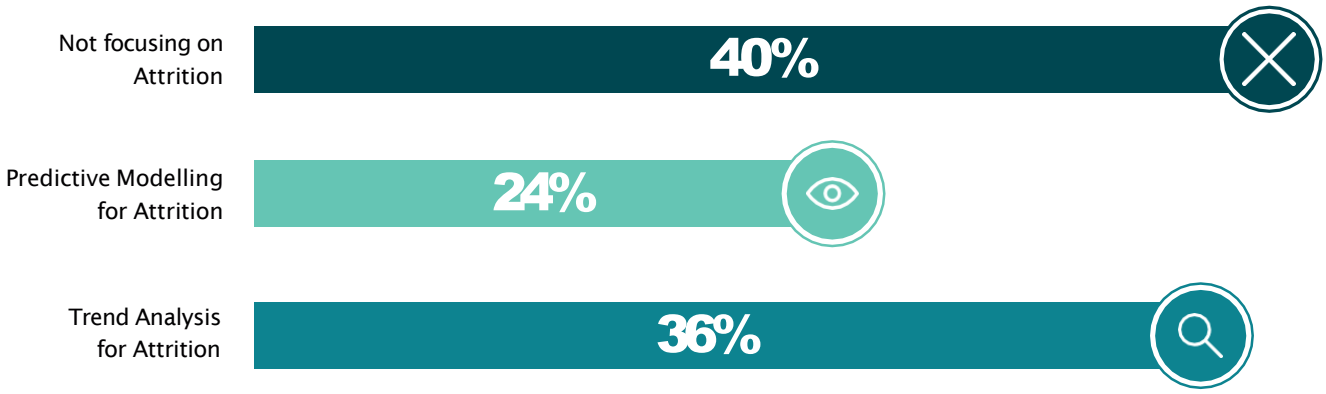


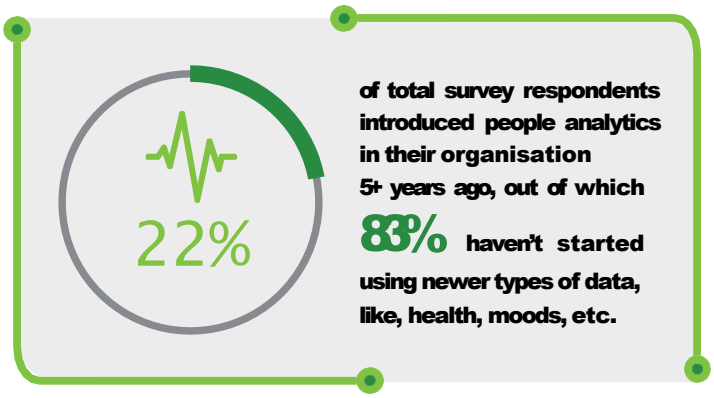
Figure 3



This made attrition the predominant issue for most HR leaders. While that has been the most commonly deployed people analytics use case, leaders aspire to use data to better listen to their employees and design interventions that can help improve employee experience. More than 50 percent organisations interviewed mentioned that they want to use people analytics to design interventions that can help improve employee well-being and experience. The biggest challenge in getting the employee experience right for the current demographically diverse workforce is switching from a "one-size-fits-all" approach. It needs to be personalised, to meet the expectations and needs of every individual, and that is where data and analytics enable organisations to listen, know, and understand their employees better.

Amongst the organisations we spoke to, some are looking to design hyper-customised wellness and disease management programmes while others are aspiring to bring in AI/ML to customise the employee experience based on behaviour patterns and choices. One of the organisations we spoke to was keen to explore AI, sensors, and bots to measure mood, perceptions, and engagement levels, and derive scores on wellness, resilience, work-life balance, etc., out of it. Another organisation, which was quite ahead of the curve, was building a prediction model to identify "moments of stress" for their employees to enable them to pre-empt and intervene before the actual occurrence.

While there are a few organisations that are taking steps towards using analytics for employee well-being and engagement, many lack clarity on the kind of data to capture and analysis to conduct for actionable inferences.



Ahmed Sabih Kidwai

Director HR, Schneider Electric, India

I believe there is immense potential for this space to generate real value for HR and the business. Currently, we are somewhat limited by our old-school thinking and need to educate ourselves on the possibilities in this space. With the type and amount of data we are able to capture today, we should be able to do a lot more than the usual old school attrition trends and predictions.

Theme 4: A dedicated people analytics team is instrumental, but few are there yet

Organisations have deployed various approaches to focus on their people analytics priorities. Some organisations have the HR function and the Analytics or IT functions collaborate to drive the work, a few rely on vendors, alliances, and consultants, and a select few have invested in a dedicated people analytics function that brings together HR functional skills, data science, analytics, I/O psychology, behavioural science skills, and business acumen. While these approaches work, a dedicated people analytics function focuses on and significantly increases the pace of work and the organisation's ability to demonstrate outcome and value.

A leading organisation we spoke with has a dedicated people analytics function, where they have data science, I/O Psychology and behavior science experts. They also have a SPOC within the team that served as a conduit between the HR functions/CoEs and the data and analytics expert. For areas that required more depth like data infrastructure, they collaborated with their analytics team to borrow data engineering skills. It is working very well for them as it gives them the right skills and a dedicated focus to achieve their People Analytics goals.

Theme 5: It is a hop-on, hop-off ride

The beauty of "hop-on hop-off" rides lies in the balance between certainty and experimentation. There is a route map, but no mandate on which station to stop at and for how long. It is almost an exploration and yet, at the end, the goal is met and the journey completed. This sums up where organisations are in their people analytics journey—they are exploring what is possible (understanding the route map) and the possibilities with people analytics. They are also trying to deep dive into use cases that address pressing problems that they face. Most organisations have begun on this journey and hence, will meet their end goal.

More than three-fourth of the organisations from the study embarked on this journey, while the remaining have a clear idea of where they want to go.

One of the organisations we spoke to was experiencing this across their departments and geographies. While some had good-quality data enabled by HR MS implementation in their geography and were working towards predicting future skill requirements through models, another function in a different geography was facing data unavailability or working with multiple excel sheets that did not speak to each other. They invested some time and effort in cleaning up and consolidating data, but owing to the absence of data governance processes, they were faced with the same problem within a few months. This is a great example of journeys needing to be different owing to their starting points and the desired experience also being different. One of them is looking at accessibility to data to help run their function more effectively, whereas the other is looking at using people analytics to build a future-ready organisation.

of the companies interviewed and surveyed have PA leader, dedicated PA team or PA COE

Detailed Findings of the Study

Overall Findings

As shown in Figure 4, a significant section of organisations have already started their journey towards building maturity in people analytics, with 46 percent organisations adjudged to be in Level-2 (consolidating and building), and 23 percent already in higher maturity levels. That said, only 2 percent of the organisations surveyed fall in the highest maturity level, where people analytics is institutionalised, and business led. On the other end of the spectrum, a sizeable portion of surveyed organisations are yet to take significant steps in building people analytics capabilities and are in the process of getting the basics right.

Figure 4: People Analytics Maturity in India

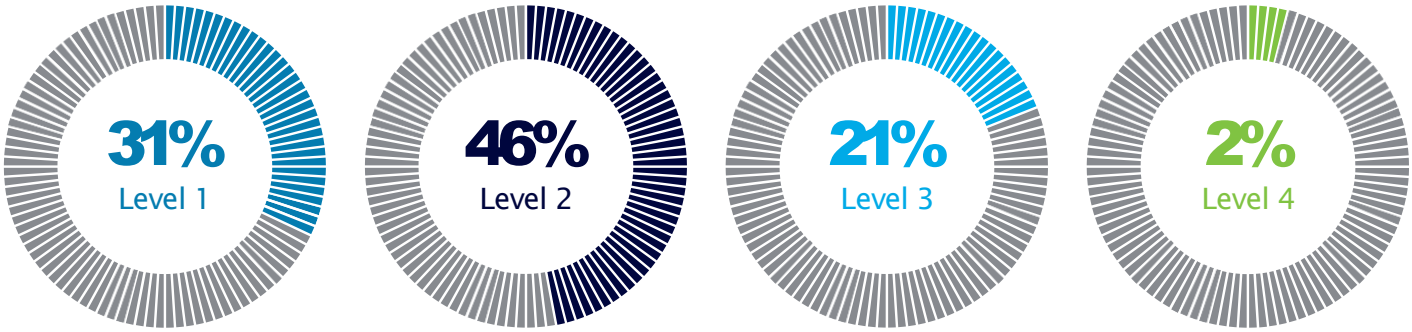
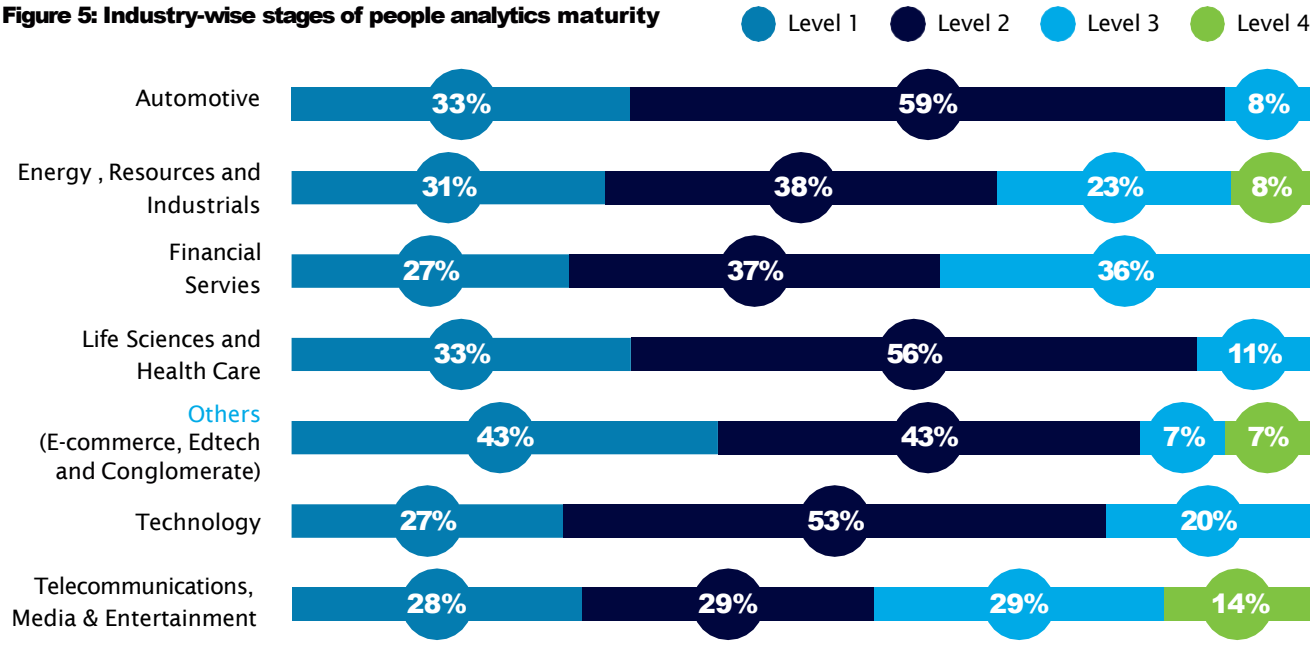


Figure 5: Industry-wise stages of people analytics maturity



Detailed findings by Maturity Levels

Level 1: Fragmented and unsupported, 31 percent

Approximately 31 percent of the organisations covered fall in Level-1 of the people analytics maturity model. A significant majority (~90 percent) of these are Indian organisations, which is understandable, as most multinational companies (MNCs) rely on global parents for legacy systems and processes. Approximately 31 percent of the Indian organisations covered, fall in this category, as opposed to less than 10 percent of MNCs.

Amongst Indian organisations at this level, more than two-thirds stated that they were not entirely confident about the correctness of their employee master data—a significant roadblock in building any sort of people analytics capability. The root cause for this is that a lot of these organisations have started investing in HRM systems only recently, and operated on manual systems for decades prior. The good news, however, is that after incorporating newer systems, more than 50 percent of surveyed Indian organisations are confident about their data security and have established data governance in the form of VPNs and role-based access to data. Amongst the one-third organisations that have a good handle and confidence on their master data, challenges revolve around having the right people to bring in core people analytics capabilities. A number of HR leaders stated that their employees do not understand data very well, are not able to convert data into insights, and share static reports with leaders, leading to low user engagement and leadership buy-in. This further compounds the issue, as business leaders are focussed on day-to-day business operations. Further, as most individuals currently perform core HR operations activities, it becomes difficult to find the bandwidth to pick up new skills or focus on long-term investments such as people analytics.

A global organisation at this level stated that they do not have people analytics capabilities and a data culture due to power hubs, where these capabilities and opportunities to learn are present in their global headquarters. Another Indian organisation we spoke to views themselves at Level-1, as the CHRO gets data and reports in various spreadsheets with no real-time dashboards or insights, that are either usable or actionable

Organisations can move to the next level of people analytics maturity, i.e., Level-2 (consolidating and building) with the following actions:.

- One-time investment in cleaning up data
- Implementing policies and processes around data management
- People analytics training for HR professionals
- Target institutionalising post-facto dashboarding and analysis of 2–3 simple but important HR metrics (such as attrition, training man-days, and people costs)

Figure 6: People analytics maturity level-1: Average scores of the pillars

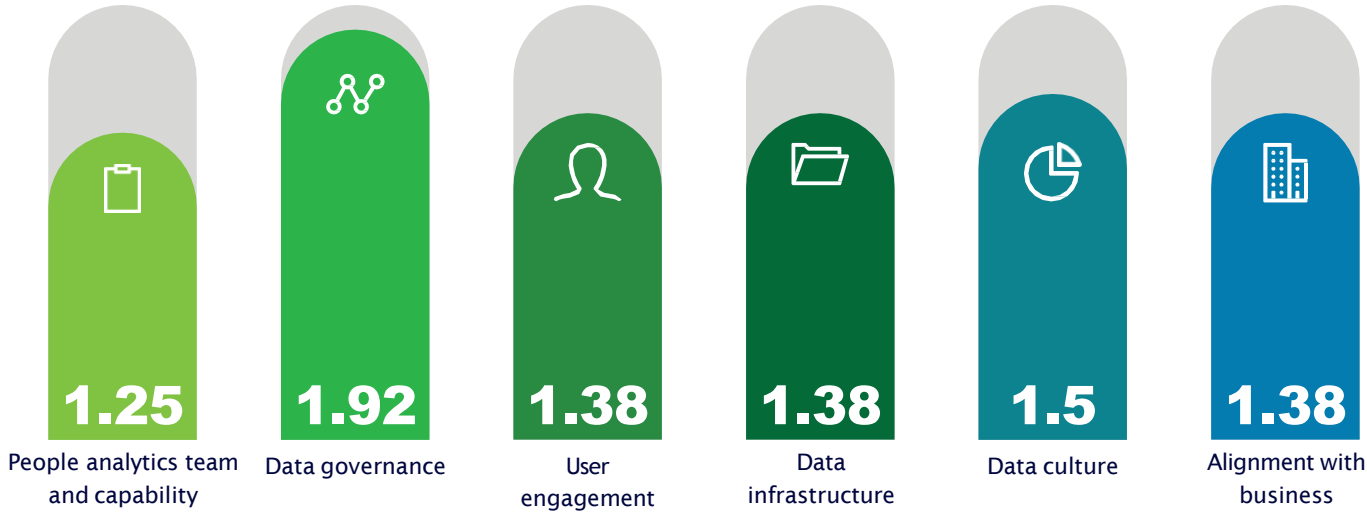
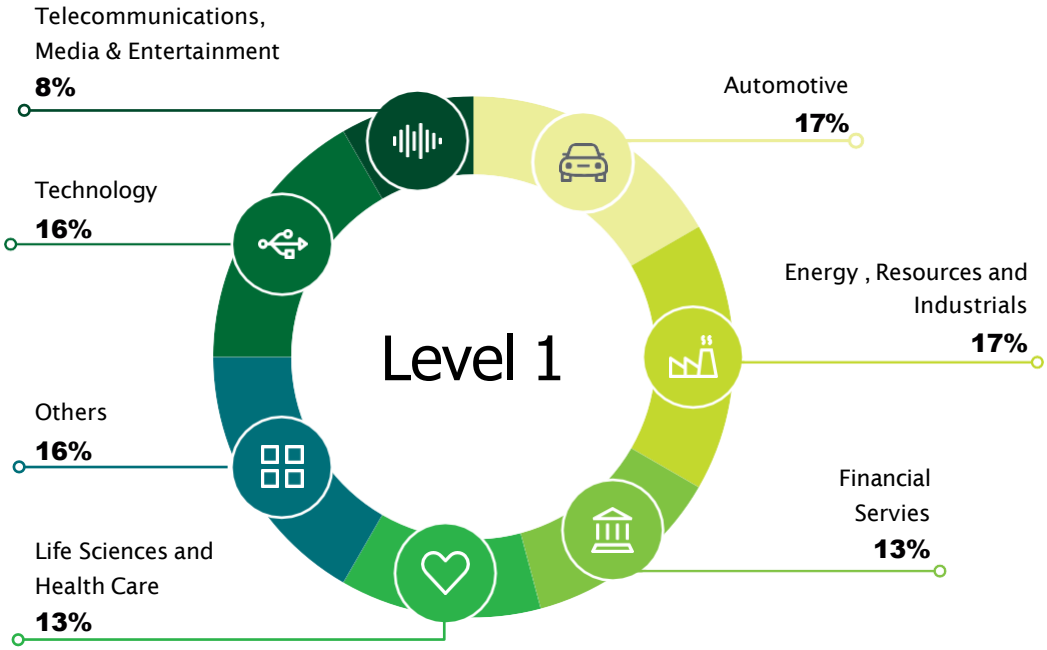


Figure 7: Industry break-down in people analytics maturity Level-1



Level 2: Consolidating and building, 46 percent

A total of ~46 percent organisations covered fall in Level-2 of the people analytics maturity model. Amongst the organisations at this level, the proportion of Indian organisations to MNCs is split in the middle.

Nearly ~80 percent of all MNCs surveyed, and about 30 percent Indian organisations fall in this level.

Amongst the Indian organisations at this level, about 50 percent stated that they have started migrating to technology to centralise their data; however, there is room to improve data quality and cleanliness to make it error free.

A majority of these organisations (more than 75 percent) stated that they have a least one dedicated person in the team with specific people analytics skills and the ability to use people analytics tools, perform advanced analytics, and create dashboards. However, for almost all of these organisations, these reports are converted into dashboards manually, and shared with business stakeholders, as needed. A higher degree of push from business i.e., leaders demanding data and making data-backed decisions, might improve the data culture of these organisations.

One positive take-away for both Indian organisations and MNCs is that a vast majority of organisations at this level have a strong sense of data governance. More than 83 percent Indian organisations and 85 percent MNCs reported high data compliance, and stated that they have robust IT with data privacy and security models, along with regular audits.

Amongst the MNCs at this level, nearly 50 percent organisations still do not have a dedicated people analytics team in India, and primarily need to work by reaching out to a centralised team for their analysis. These organisations either have already implemented or are in the process of implementing ETLs to automate data capture.

Organisations can move to the next level of people analytics maturity, i.e., Level-3 (accessible and utilised) by undertaking the following actions:

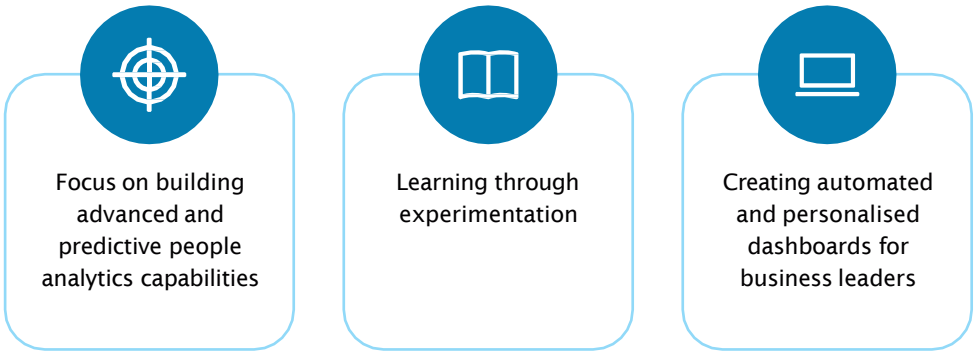


Figure 8: People analytics maturity level-2: Average scores of the pillars

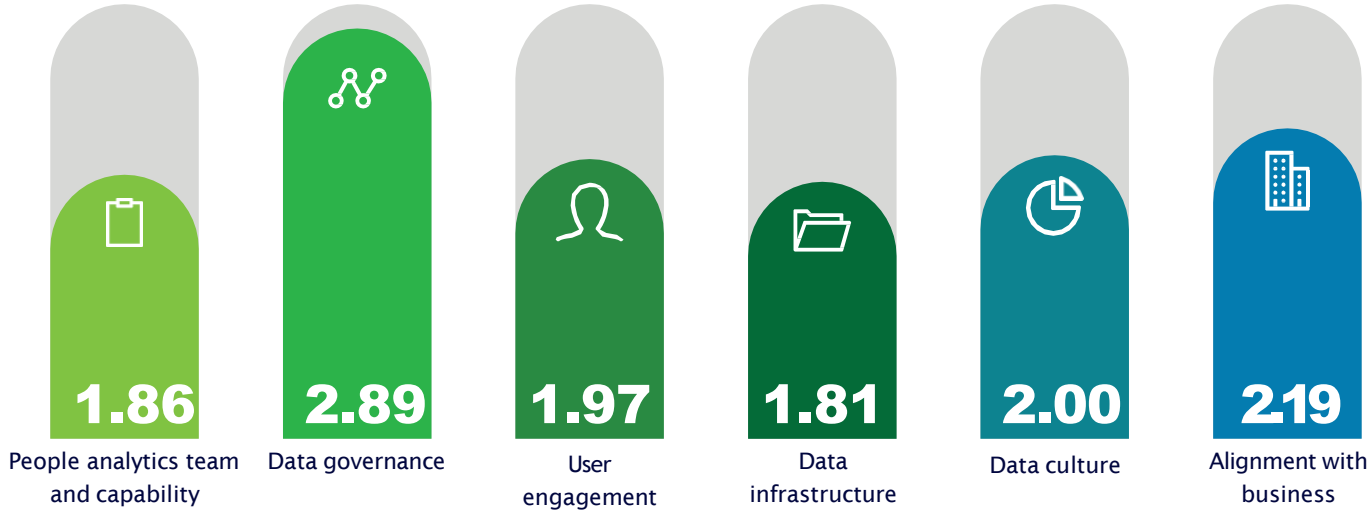
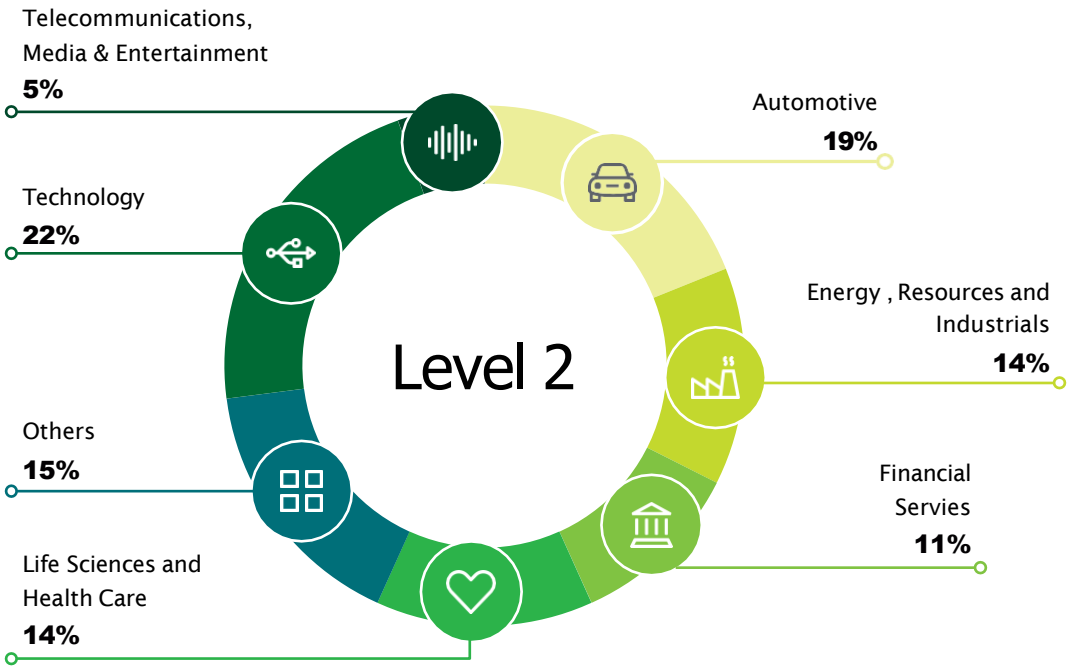


Figure 9: Industry break-down in level-2 of people analytics maturity



Level 3: Accessible and utilised, 21 percent
A total of ~21 percent organisations covered fall under Level-3 of the people analytics maturity model.

This number comprises 27 percent Indian organisations and 6 percent MNCs.

Amongst the Indian organisations at this level, more than 70 percent have successfully deployed HR technologies to make the data clean and accessible for all stakeholders, with a dedicated analytics team developing analytics and dashboards to enable the decision-making process. Further, 80 percent organisations at this level stated that they have built a strict, role-based access governance framework with strong privacy policies to ensure that the data is not misused.

Nearly all Indian organisations at this level (~90 percent) are taking concrete steps to promote a strong data mindset by digitising all people processes and emphasising on the importance for leaders outside of HR to take data-backed decisions. At almost all of these organisations, the push for data-based decision making comes directly from senior business leaders including the CEOs and business unit heads.

Amongst MNCs, all organisations at this level have built an integrated data infrastructure, and interactive and self-servicing platforms to share insights with stakeholders, as required.

Organisations can move to the next level of people analytics maturity, i.e., Level-4 (institutionalised and business integrated) with the following actions:

Focus on building advanced and predictive people analytics, based on real-time data.

Build long-term solutions that can pick up data regularly and provide automatic dashboards to business leaders.

Promote a data culture by driving mindset shifts amidst top leaders via targeted leadership development programmes.

Figure 10: People analytics maturity level-3: Average scores of the pillars

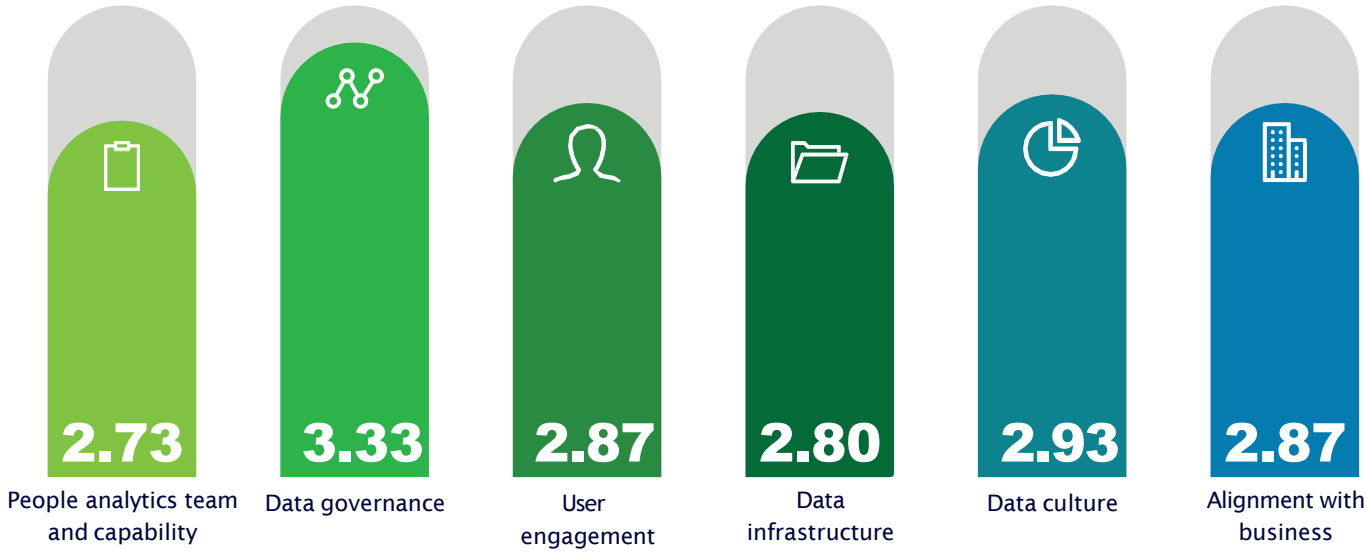
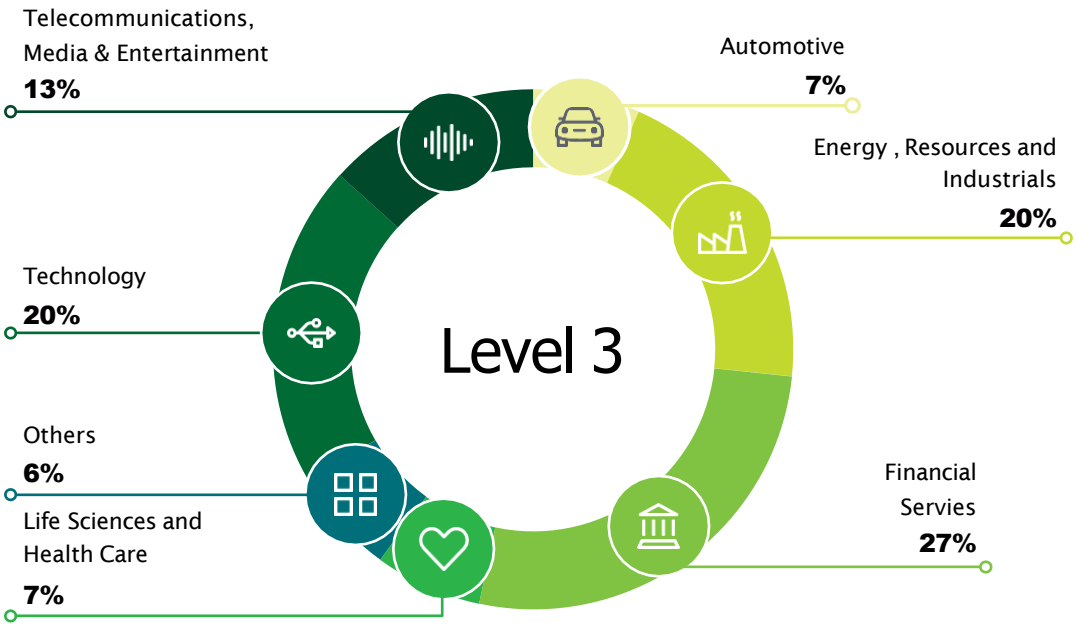


Figure 11: Industry break-down in level-3 of people analytics maturity



Level 4: Institutionalised and business integrated, 2 percent
Only 2 percent of all organisations covered in the study are at Level-4 of the people analytics maturity model.

Organisations at this level, have incorporated people analytics into daily operations and are using interactive dashboards to share data and insights with stakeholders. They have automated data capture to enable real-time delivery of insights. They have built a dedicated team of people analytics with capabilities around machine learning, data science, and statistics, along with functional HR knowledge. However, there is still room for improvement, by building career paths that consider data skills for HR roles of the future.

One of the organisations at this maturity level deployed predictive analytics for multiple use cases. They were effectively combining different sources of data (demographics, communication, and collaboration data, social media data, etc.,) to derive real-time insights on employee well-being, productivity, attrition risk scores, and reasons. They also enabled their business heads with real-time access to data and insights. **The leaders, in turn, communicate their expectations and design a roadmap around the use of people's data.** HR is proactively involved in data governance and are consciously building processes that enable high-quality data. There is a well-established data governance team that sets goals for enterprise information management systems and works towards achieving them. The HR function, overall, is highly data literate. Analytical skills permeate HR career paths, and professionals have multiple opportunities to learn and develop their skills.

The Way Ahead

Start small and keep it agile

There will never be a perfect situation to start and perform people analytics. There will always be some or the other issue related to data hygiene, cost, or leadership buy-in. The conventional, long-standing advice has been to start small with a pilot project, or a proof of concept to realise the business impact and then scale in an agile manner throughout the organisation. While starting small, it is crucial to understand the current data and landscape, prioritise the list of use cases to implement according to ease and impact, identify the data available for prioritised use cases, and focus on "quick wins". This approach will help the people analytics team to move forward on the learning curve and gain momentum. It will also assist in motivating the team to develop their data acumen. Quick wins aid in creating visibility, building credibility, and demonstrating the ability to solve problems and deliver business impact. While we cannot neglect the significance of the challenges and strategic priorities, delivering simple, short, and targeted projects for a specific business problem is easier and makes a higher impact.

One of the organisations we spoke with now regularly does an impact and feasibility analysis to determine their people analytics roadmap. To begin with, the two-member people analytics team did not have sponsorship to work on the ideas they had in this space. They were spending most of their time in creating manual reports. A couple of years back, the team began a small project on improving the recruitment funnel ratios by looking at data across various processes of the funnel and identifying bottlenecks. It was not complex or advanced analytics, but demonstrated the value and led people analytics to become a priority for the organisation. They now have a reasonably sized people analytics team that focusses on use cases, ranging from inclusion and well-being to productivity.

Take an outside-in approach

When it is difficult for an organisation to finalise a starting point to develop its people analytics practice, it can adopt an outside-in approach. An outside-in approach is a business-centric approach that focusses on identifying a business problem that the organisation may want to solve today. To identify business priorities, you must first understand the business challenges to decide the starting point and then design the analytical activities around them.

Upskill the HR team

The HR team designs the talent and people policies and practices, and also provides guidance to the leadership on people-related decisions. Building data literacy skills in the HR team is an important part of strengthening the people analytics function. The HR team should have a foundational understanding of analytics and be able to develop a link between people analytics and its value add to the business. The aim is not to make HR professionals data scientists, but build a knowledge base so that they understand what data is required for a specific problem, the possible uses of different data types, and ways to interpret the findings and infer insights. The HR team should have a problem-solving mindset, curiosity, the ability to understand context, story-building skills, and the foundation of data strategy. Core analytics work, such as statistical modelling, may be outsourced depending on the requirements. However, reskilling and upskilling of the HR team will increase their analytical and business acumen, which will ensure the success of the people analytics initiatives. It will also help make the HR team future-ready, which can build the organisation's resilience for unforeseeable events.

Team Up to bring the best out of People Analytics

To realise the true power of people analytics, it is important to involve various data-savvy people with different backgrounds and skills. People analytics is a cross-functional activity, and hence, it requires a collaborative effort with knowledge and understanding from different domains. HR business partners, business leaders, data analysts and scientists, IT experts and software developers, visualisation and reporting experts, data governance experts—organisations will need all of these skills to run efficient people analytics.

The following are the types of alliances an organisation will need, to run the people analytics function effectively and efficiently:

HR Business Partners

Being well-versed in various HR activities and understanding business requirements, they can identify the types of data that make the most business impact.

Business Leaders

They understand the strategic intent of their department and the challenges they are facing, and can translate them into a people lens.

Data Analysts and Scientists

Being well-versed in different techniques of statistical analysis, both basic and advanced, they can help in data cleaning and organisation, and data analysis.

IT Architects and Software Developers

They can utilise their knowledge of the technological landscape to advise on the types of analytical and HRMS tools that can be used to aid people analytics.

Visualisation and Reporting Experts

These experts on data representation and dashboards can help in storyboarding data for easy insights.

Data Governance Experts

They can support on issues including data privacy, data management rules and legislations, and contracts with external parties, who could help with people analytics initiatives, etc.

Organisations can choose one of the "build, borrow, or buy" methods, or a combination, to collaborate with and bring individuals with these skill sets together. Amongst the organisations we spoke to, the most mature followed a hybrid approach to build their people analytics capability. For their core people analytics team, they focussed on a combination of build and buy, building basic data literacy skills such as data fluency, visualisation, and storytelling with data, and hiring for niche skills including I/O psychology and organisational and behavioural science. They have also "borrowed" both from within and outside the organisation. For deep data engineering work, they collaborated with their data and IT teams. For more specific and critical issues, they have also worked with external consultants to help them achieve outcomes faster.

There is no one approach fits all when it comes to getting the right team together. It should be primarily driven by where the organisation is in the maturity journey and their roadmap for the future. If an organisation is at the beginning of the journey, it would help bring expertise from outside to put things in motion. Over a period of time, as the organisations progresses in the journey, they could look at building a centre of expertise within the organisation that houses the required skills.

Build a Data Culture

There is a strong need for the CHRO to build a culture of data across the entire HR function. Often, this is inspired by the CHRO's mindset and the overall culture of the organisation, as driven by the CEO. All the people analytics activities will be futile if the culture to consume and ask for data is missing within the organisation. Employees need to be analytically willing and data savvy.

There are multiple elements that enable a data-driven culture: The business in which the organisation operates in, plays a critical role in driving a data culture. Most organisations we spoke with that operate in the technology space, such as IT services or tech start-ups, have a higher propensity to appreciate people data, as their business is also highly data driven.

Praveen Purohit
Deputy Group CHRO, Vedanta Resources Limited

> At Vedanta, we strongly believe in a data-driven culture. There is absolutely no decision, whether business-related or people related, that is taken without looking at the data. Data and Analytics is one of the seven pillars that we have defined to run Vedanta - so very core to our organisation.

The primary elements that enable these organisations to have a data culture and can be imbibed by others include the following:

- It's driven from the top. Most leaders in these organisations are themselves highly data savvy and hence play an instrumental role in building the data culture
- They have the tools and systems that engage and enable their teams to run analytics
- The have the capability and continue to invest in enhancing it
- There is a mindset to use data for all decision making, which can be seen in how these organisations run meetings or taking decisions around investments in systems/tools.

Conclusion

During the last three years of the pandemic, we have realised the impact that data can have on the success of a business. The uncertainties, ways of working, and expectations of people from their work lives have transformed.

People analytics, slowly but surely, has grown in prominence over the past few years, and we are witnessing changes across the board amongst Indian organisations. HR leaders are aware of what people analytics can do for the business, and there is a clear intent to move the needle on this. That said, most organisations have a long road ahead before they reach the desired state of maturity.

Through our study, we found out there is no defined "correct way" or "right path" to approach people analytics. However, there is an indicator that it is the right path when other functions/businesses begin requesting insights and people analytics witnesses a demand.

We also discovered that the core focus area and the biggest constraint for most organisations is on building the right analytics skills in-house.

Organisations are becoming people-centric, and the onus is on the HR function to provide guidance around what needs to be done. While data and technology are becoming more common, the HR function is undergoing a gradual shift, making its interactions with the business more strategic. HR now needs to work out ways to quantify and measure aspects of people management, which were until recently thought to be "intangible".

People analytics makes HR tangible, quantifiable, and measurable—and this is what will fuel the next stage of evolution for the HR function as it becomes more of a strategic business driver in the years to come.

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Notes

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