



People analytics execution: Building the capability (Part 2)

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David Mallon: Welcome back to Capital H.

Many organizations—and I suspect yours, if you're listening to us today—are realizing that you need to be able to gather, track, analyze, and use your people data, your workforce data, to make decisions to drive business value.

You need to be able to understand workforce trends and needs, and then use those insights to make choices, intentional choices. And if you have this capability, you can drive inordinate impact. This is the value of people analytics, and many, including you, are working to develop this capability as a differentiator for your organization and for your stakeholders.

Today, we're going to continue a conversation we started last time on people analytics, this is part two of three. In part one, we described the overall state of people analytics in organizations, most today, as a journey. Some companies are further along in that journey than others. Today, let's dive into how you make progress on that path. Joining me are my colleagues, once again, Bill Docherty, he's the managing director and a leader in Deloitte's Human Capital People Analytics practice. Welcome back, Bill.

Bill Docherty: Thanks, David. Great to be here.

David Mallon: And once again, Nicholas Garbis. He's vice president of People

Analytics Strategy with One Model. Thanks for coming, Nick.

Nicholas (Nick) Garbis: Thanks, David.

David: Picking up where we left off last time, I asked both of you to imagine that you were building a people analytics capability in your organization. So, I was the CEO—I've just hired you. I've asked you to create this wonderful new thing, this capability for us, and you told me what it looked like in its ideal state.

That's the vision, that's the finished product. Let's dive into how we turn that vision that both of you have spelled out into a reality. Nick, I'm going to start with you. What's

the first step? You've just come into the organization; you're going to try to make what you've described true. Where do you begin?

Nick: You need to find out about the technology landscape that you are walking into. First and foremost, what does the core HR technology stack look like? How many instances of that are there? Which technology? What is the other HR-related data, survey data, learning data, and succession data? What does all of that look like?

What has already been done to integrate that data? How are people getting information today? Because they are, there's always some level of information, so, what is the realm of the deliverables that have been generated? And then, what's the team look like?

Assessing the current state is step one, pretty soon after that, you've got to get into a bit of a road map development and start setting goals and setting expectations.

David: Bill, what would you add?

Bill: It's interesting that you pose the question by stating, "building a people and its capability," which for some might be read as jumping in and building a team, or implementing a technology solution as the starting point, but I think, as Nick stated and we talked about previously, you've got to take a step back.

Leaders need to assess that current state—they need to look at, is there an operating model in place? What is the strategy? If that is already there and they're comfortable that it's sound, then I think one of the first places that you start is by defining their priorities, their insight priorities, given that most organizations will really need to develop the face strategy that includes some initial quick wins and a road map with additional insights to be delivered to their stakeholders over time.

For example, very few organizations are prepared to tackle developing people analytics insights across every domain area, like talent acquisition or workforce planning, diversity, equity and inclusion, learning

and development. That's just a subset of the areas that we see clients' focus, and the strategy should define how insights across all key areas will evolve over time. It's important to make sure that those initial quick wins are really aligned to the areas that are going to have the most impacted business performance.

Once organizations have this foundational consensus on strategy and priorities in place, then they're very well-positioned to optimize their investment in a people analytics technology platform, like One Model, and build the team required to support that strategy.

David: So, both of you have talked about some choices we're going to make as we build out this vision, and much of that has to do with the particular problems we choose to solve, and therefore, the road map in terms of capabilities we're going to build, technologies, people, and so on, that we need to be able to accomplish the problems we've decided are in our remit.

Obviously though, the lifeblood of this conversation is data. It's what we're going to need to be able to inform those decisions, and data comes with all sorts of challenges: privacy, security, and ethics even. Give us a sense of guardrails. Again, we're new at this. Nick, as you said, it's not like companies haven't already been working on these kinds of decisions; they've made these decisions all along.

What's new is that they're bringing data to the party, but where are the guardrails that help us to stay on the right side of that data, to use it in the right ways? Again, Nick, I'll start with you.

Nick: As a starting point, you have to have a way to get the data together into a single spot. You have to have a data asset, and everyone has some sort of data asset. Some people might be using Microsoft Access, people might be using a whole regime of Excel spreadsheets, and things like that. Those things can get you a little bit along this journey, but they cannot get you to the full value of the investment in the upstream data or in a people analytics team. In order to do that, you need to have a more robust platform.

We think about privacy and security, and it's nearly impossible to do that at scale with a pile of Excel spreadsheets. Solving those data challenges of privacy, security, and also getting to data integration challenges and data quality challenges really requires this investment, and that's why in the structure of a people analytics team that I recommend, one part of the team is focused on managing that data asset. You have to have those pieces in place in order to be able to start to deliver value.

David: Bill, Nick is addressing practical aspects here; if we get the data into one place, it'll make it easier for us to understand privacy, security, and so on. But I assume bigger picture governance is part of this conversation as well. How does that play into these guardrails? How does that help us establish protocols?

Bill: It goes back to what we talked about with that operating model, and why I pointed it out is because it's governance, and data governance is one key aspect of that. So, first of all, it starts with recognizing that data is a key aspect of the operating model and having a function that's responsible for owning that aspect—and within that function, it really starts with having a good understanding of the data security requirements within your organization. What data do you have access to, and what are the security requirements associated with that data?

Are there country-specific work councils that need to review and approve your security design? What are the different user personas, and what data access should they have? Should some users be able to see aggregated insights while others can see more granular, individually identifiable data? Knowing the answers to these questions is key to defining the security requirements that you need to design for.

Second is a technology solution that allows you to define and scale your security model as a key element. The leading market solutions like One Model have built-in robust security capabilities that enable you to target the right capabilities and insights to each of those persona groups.

This is where it's really interesting. Sometimes, there's a discussion regarding whether organizations should pursue a build versus buy approach, and this robust security capability is one of the most costly elements to build, and a significant benefit to be realized when choosing to license an industry leading solution to the market.

Finally, a key consideration is ongoing operations. Just as I mentioned that strategy is always going to continue to evolve, the same thing is going to be true with security requirements. Do you have a model in place to deal with changes to security requirements over time? Are you interacting with the leaders in your organization that drive data security policy, so that you're out in front of those changes and are proactive and planning for them, as opposed to being reactive?

David: So, we're building onto these foundations. We're starting to think about data; we're starting to come to grips with what governance of that data's going to look like, and the capabilities we can build around it. You both have referenced, though, that we have some other decisions to make about—and therefore, the challenges we go after—the kinds of problems we want to solve.

You both have also made the point in this conversation, and in the first episode, that this is not about HR solving HR problems. This is ideally—in fact, the bigger picture opportunity lies in the degree to which we are addressing business challenges, such as sales performance within a business unit, predicting attrition in a key role, or forecasting our future skills needs so that we can grow as a business.

In that context, as we're going to build out that road map, we need to understand who our internal users are; who are our clients of this capability? What do they want us to do, and how does that play out in our road map? What are they asking for? What products? Nick, you've used that word—what products are we choosing to offer them?

Bill, I want to come back to you, though, to get started. How are we advising our clients on this conversation? How are we helping them to decide what's on their

people analytics product road map, as Nick describes it? What is the toolkit, and what's on that road map?

Bill: I'd say nearly every client that we support is really focused on developing people insights that are correlated with their business data.

In one of my past client experiences working with an organization that was rolling out a new sales training program that was critical to a new product launch, and they were taking a very different hybrid approach to the delivery of this program than they had previously. From the very beginning, they planned out that they needed to be able to measure the impact on the actual sales leaders that had gone through this program, as opposed to a group that was not going to be initially part of the phase deployment of this program.

One of the challenges they encountered is that you've got the HR function and HR business partners that are driving how we effectively use the data in the workforce, but then, the team that was responsible for delivering the sales training program didn't have access to the sales data. So, one of the first big things we have to identify is that organizations need to define their strategy, define the priority insights they want to deliver as part of that strategy, and then where does the data reside, who are the owners of that data, and is that data accessible to achieve the outcomes that they're looking for?

We ask for organizations to really focus on that aspect so they can ultimately be confident that they're going to be able to deliver on the insights that their business leaders are going to find most valuable.

David: Nick, Bill's really building from the bottom up here. He's pointing us in the direction of a practical decision, or criteria for what's on our road map, and it's about what data do we have? Where's that data coming from? Do we have the right connections in place between the people, the business data, and so on, that are going to set us up to be able to answer certain questions.

Are there any other considerations? Is it always just practical and opportunistic ones, or are there broader criteria that would help influence where we're going to go with this?

Nick: I think it's in addition to what Bill said, that you have specific business challenges, business imperatives, that always have big people dimensions, and you need to make sure that you can help further those strategies by identifying any risks on the people side by tracking and doing that. There's a lot in that area of, what are the insights that are going to be most valuable to the business?

I also think that there is a layer of data that's sort of like your daily vitamin type of data, which is getting a culture where leaders just have a steady diet of their people data available to them, that's not difficult for them to understand, and that is ready to highlight outliers and generate insights for them. There's situational awareness that you need to enable, or empower, all HR business partners and all the leaders in the organization with.

If they're well positioned with situational awareness about the people in their organization, and then they're also investing in content and deliverables aimed at specific business challenges, that's where you get both of those things working simultaneously, and you can create the most value.

David: Staying with you, I think you're hinting that in the minds of the intersections—the business partners, the people, and the people analytics team itself that are meshing with the rest of the organization—and then the other side, maybe even more importantly, the minds of the managers, the frontline managers that are going to use these tools and this data; we have to expand their imaginations.

At Deloitte, we talk about this as the “art of the possible.” We have to help them understand what's possible here. What kind of decisions could be improved upon if they had this data, if they had this capability?

As we started to do that, what does that mean for us inside the people analytics team? What capabilities are we needing to create? What approaches are we needing

to realize that imagination, and how is that influencing what we choose to do and choose not to do? Again, I'll stay with Nick for now.

Nick: Let's use DEI [diversity, equity, and inclusion] for an example. We want everyone to be aware of the diversity data and metrics in their organization. So, we're going to need to have a steady flow of content—we're going to need to manage that content—but we're going to need to also deliver some specific deeper insights into that, which is using the same data, that's going to draw emphasis to certain challenges. It could be tradition; it could be pay equity challenges.

That's one of the ways I see that these pieces come together.

David: Bill, you're often helping clients to stand up this team, and that includes expanding their tool sets. What are your thoughts on what approaches we're building into the team itself?

Bill: One of the things we're really focused on is speed and agility. When we did our high-impact people analytics research and the maturity model that we developed, one of the things we saw is for organizations that had moved along that maturity journey—what really struck us was the length of time.

It wasn't uncommon to hear organizations say that the length of time it took them from where they started, to their current level of maturity was a journey that was years in the making. We believe there is both a need and an opportunity to accelerate that journey.

So, we've been focused, number one, on helping clients define their strategy. We have a set of advisory-based services that can help organizations define their strategy, their operating model, data governance, and do that in a more fairly compressed timeframe than they may be accustomed to.

The next aspect is implementing technology. One of the benefits that we've seen of working with platforms like One Model is that we can dramatically improve that time to insight. Instead of organizations going on a multi-year journey, we're focused on how they can get those quick wins, build that

data literacy, and build transparency and trust in the data and the insights with their leadership to serve as a good foundation to then build upon.

David: Nick, adding to this scaffolding—this foundation you were talking about earlier—you said we've got this set of products now, and those products are turning into a set of content, which is the thing we are then giving to our internal clients, ultimately, the things that we're giving back to the business.

We had talked about governance in the context of data, but what about governance of those products, of the content itself? How does this go out into the world? How is value driven from it? How do we learn from what we have delivered and how we could make it better over time, and so on.

Nick: At One Model we have a paper on measuring the value of people analytics which proposes to look at the various content that's being created, and then for each piece of content, understanding, what is the value of that content? A birthday list has got a value of one, but the attrition forecast dashboard has a value of 10, or something like that. Then, what is the utilization, and are we hitting our target users?

This is all a proxy for if people are using our content with regularity, we're generating value, based on the assumption that if they're digesting this content, they're going there because it's helping them to gain context and reference to decisions that they're going to make.

We may not see the exact decisions, but we can use our utilization of our content as a proxy, and where our utilization is low, it may be that our content is bad, our communication is bad, or marketing or promotion of that content is bad. We can use that to manage our content as a people analytics team, using a portfolio mindset, and this is the way a product team would do it if they had five different kinds of laundry detergents. These are the same kinds of principles that will apply for a people analytics team that is generating content that they are aiming to have used by the HR teams and the business leaders.

David: OK, so I want to push further on this thread. You've got this content out of the market. You're understanding its value is some combination of, does it solve the original problem, and consumption—is there evidence of demand? You put those things together and you say, "OK, this content's useful," and you feed that information back into the people analytics team, and that takes us all the way full circle back to data.

We started with data and we're going to end with data. How does this notion of impact of that content that we're talking about here—how does this feed back into our catalog? What does it tell us about the metrics that are in that catalog, where the data's coming from, the quality of those metrics, the underlying source data, and so on?

How does what's happening in our market, with our customers, as it were, help us to improve the underlying source data that is our foundation? Bill, I want to start with you.

Bill: First of all, it just starts with organizations recognizing from the very beginning that developing these people analytics sites and the supporting metrics catalog that you mentioned—it's a continuous journey. The development of new content needs to be factored into their operating model.

What we have seen for some organizations is that there needs to be some degree of centralized function. I've talked about governance earlier; most organizations think about governance, and they think process and data as the primary aspect, but content and insight governance is another aspect of that, and so, making sure they've got this centralized function that's responsible for vetting, developing new content, and adding to the metrics catalog that is intended for wide distribution.

However, for some organizations, they want to democratize access to data, and they may implement more of a hub and spoke model where there's a core foundation of insights that are offered, but business leaders themselves are encouraged to explore the data, derive insights, and identify those that are most valuable to their particular

point in time need, then bring that back into the governance model to figure out which insights and metrics that are built at—if you want to call it a “grassroots” level, actually, have broader applicability, and should be brought back into the centralized catalog.

A key best practice for that is to build a strong working relationship, I mentioned earlier, between the HR business partners and a representative group of those insights users—that they’re meeting regularly, and they are aligned on the process and strategy to continue to evolve that content and the supporting metric catalog.

David: Nick, I’m going to let you have the last word. You started us focusing on these words “product,” and bringing a product management approach, or mindset, to people analytics. What are your thoughts on how this product management focus applies to our data?

Nick: The products are things like a dashboard, a report, or even a deep analytics project. I like using the word “product” because it helps us to use the product management principles and

methods in our work. The purpose of a product management principle is to get feedback, and to make sure that the content you are providing has some mechanism to capture feedback. So, minimally viable products at the front end and then feedback along that route, and then once you’re live, getting continuous feedback so you know what metric might be not useful—what piece of this content might not be helpful, what’s missing, and what you can do to improve it.

It’s just another piece of that adoption of a product mindset that I think is going to be highly valuable in achieving scale and value.

David: Thanks, Nick. It’s great, this kind of comes full circle; we’re going to use our data to improve our use of data. It’s a great way to round off this conversation. That will do it for part two.

We’ll be back soon to talk about where people analytics as a capability goes into the future. Thank you, Bill. Thank you, Nick. And thank you, out there in our audience, for joining us again today on Capital H. Until next time.

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