



## Finding the signal in the noise with people analytics

**Host:** **David Mallon**, Vice president and chief analyst, Insights2Action, Deloitte Consulting LLP

**Guests:** **Bill Docherty**, Managing Director and Workforce Analytics Leader, Deloitte Consulting LLP  
**Dan Beck**, President and Chief Product Officer, SAP

**David Mallon:**

Welcome to Capital H, the podcast where we explore the latest in making work better for humans and humans better at work. I'm your host, David Mallon, chief analyst and lead of Deloitte's Insights2Action team. In today's world of constantly evolving business needs, many organizations are actually drowning in data, and this is especially the case for the HR function, where leaders are becoming intrinsic business partners leaning into their organization's strategies and operational business needs, but they don't always have the right data or maybe more specifically, the insight from that data to inform their decisions and drive greater impact for those business stakeholders and their workforce customers. With all this data at their

disposal, you might be asking yourself, "How can an HR leader find the signal in the noise?"

To explore this question, we're joined today by Dan Beck. He is president and chief product officer at SAP SuccessFactors. He's joined by my colleague Bill Docherty. He's the managing director and leader in Deloitte's Workforce Analytics and Experience Management practice. Together, they're going to discuss the rise in the use of data and tools like Generative AI, how these tools are informing product strategies and raising important ethical considerations, and they're also going to talk about key success factors that enable organizations to make the most of their related technology

investments. They'll also address common challenges that executives face in leveraging data as they drive those key business decisions.

Let's start the interview. Over to you, Bill.

**Bill Docherty:**

Hello, my name is Bill Docherty. I'm the leader in Deloitte's People Analytics and Insight practice. Our team focuses on advising our clients on their people analytic strategy, assisting them in executing on that strategy, and supporting their efforts to effectively build sustainable insights.

I'm joined by Dan Beck today.

Dan, over to you to introduce yourself.

**Dan Beck:**

Hey, Bill, great to be here with you. My name is Dan Beck. I'm the new president and chief product officer at SAP SuccessFactors. I've been here four-and-a-half months, so I'm really grateful to be here, but I have a long background in all things enterprise software and HR tech.

**Bill Docherty:**

Well, congratulations on your new role, Dan, and thanks for joining us today. It's a pleasure to speak with you. Dan, in your role, you must have extensive visibility into today's constantly changing business landscape. Can you share some of the top trends you are seeing in the market and how those are driving your product strategy?

**Dan Beck:**

Yeah, absolutely. It's really a pleasure being here. It's really a timely podcast for us to get together because a company's desire to do more with the data they have and to ultimately empower their teams is just a real high priority right now. You're seeing HR practitioners, HR leaders, people leaders being asked to do more with less, they're being asked to skill and reskill and upskill. And they're being asked to do that all in a way that leverages the latest in technology, so think business AI, think analytics and reporting, but also to do it in an ethical way. I see a lot of people leaders craving and asking for more sophisticated answers to some of the more typical questions that we've seen in the industry over the past 10, 20 years.

**Bill Docherty:**

I'm not surprised that you obviously mentioned AI. The progression of AI is making waves everywhere. I would say just about every client conversation we're having today, there's a component of AI that enters the conversation. But you also raise this concept of ethics. Can you share your perspective on the ethical considerations of the use of AI and how that's informing your product strategy?

**Dan Beck:**

Yeah, I'm seeing the same thing, Bill. It doesn't take too long in the conversation to get to AI when you're engaged with a

business leader, and it's a really interesting time. I mean, keep in mind, it's March now in 2024, ChatGPT turned one on November 30 of last year. There's a lot of energy for the topic, a lot of churn, and a lot of excitement, candidly, but ethics is a key part of it. Certainly, we just have a huge focus on getting it right ethically in a fair and balanced way. So when we talk about AI, we talk about, yes, reliable AI, but also responsible AI.

And so what does that look like? I talked to a startup just the other day. They're doing amazing things with data. When I started asking them, "Well, where are you storing it, and what are you doing to adhere to global regulatory programs like GDPR [General Data Protection Regulation]?" the answers started getting pretty wafer-thin. A lot of startups, in particular, some larger companies, are getting into trouble with questions of their algorithm spitting out a biased sample set or the algorithm was prejudice against certain groups, and that's really going to hold back, I think, the progress we can make. And so we take it very seriously. We have an entire AI ethics committee that has cross-functional leadership from folks you'd expect like, of course, legal, but also security and deep technologists, to make sure that when we produce an AI product, that it is adhering to the highest ethical standards—and up to date, so our customers don't have to worry about whether this is adhering to the latest European Union dictates, or the latest White House executive order, or what's going on the state of New York versus California, where I'm based. I think they need to do hand in glove. The right technology and the right ethical focus to make sure that you're correctly using these very powerful tools.

**Bill Docherty:**

I couldn't agree more. It makes me think of the old adage, just because you can do something doesn't mean that you necessarily should. But Deloitte, we put trust at the center of everything we do. We use a multidimensional, trustworthy AI framework that we defined to help organizations develop ethical safeguards across seven key dimensions. And we view this as being a really crucial step in managing the risks and capitalizing on the returns associated with leveraging artificial

intelligence technologies. It's great to see that both of our organizations are really focused on the ethical use of AI.

**Dan Beck:**

Yeah, that's right. I imagine part of what you're doing when you bring that to your clients is educating them—because these tools are moving so quickly, the legislation's moving reasonably quickly, and it is an exciting time. But I would imagine most clients need help, and I think you bring best-in-class know-how there.

**Bill Docherty:**

Absolutely, appreciate your perspective on that. Let's pivot over and talk a little bit about data-driven insights. We're all surrounded by so much data, all the time. Sometimes we use the term, "Drowning in data, but lacking insights." What are some of the ways organizations can enable people to distinguish the right signals through all of the data that they're constantly dealing with?

**Dan Beck:**

Yeah, it is almost a perennial problem, Bill. I talked to a gentleman once who said the three worst points in his career were the three workforce BI projects he led. And it's just one of these amazing things because it's very difficult to get it right, and we are all awash in data and lacking insights, so I like your phrase.

What I see happening out there is clients are using more powerful tools—certainly we, SAP SuccessFactors, are investing in best-in-class analytic tools on top of products like SAP Datasphere. I'm not here to pitch my products, but I just want to say this is a heavyweight investment because we want to empower our clients to have a great out-of-the-box analytic experience. But it is this dynamic of, yes, you have more technology, you have more data, what do you do next? And I think, in a way, we could go back a decade and some of the challenges that your typical chief people officer[s] are facing might be quite similar. So I do think that part of what I expect to have happen in the next, certainly next, two to five years, is clients will have more sophisticated tooling just for the basics—basic operational reporting, basic analytics—and then they'll

start layering AI in on top of that to ask questions of their data, which would be pretty exciting. So instead of just asking a team for a next, better dashboard, they'll ask a conversational chatbot to give them something, give them a response, analyze something for them, and have a return.

**Bill Docherty:**

You know, it's interesting, you've mentioned that being a perennial problem and I would agree completely. I think through both a combination of really powerful technology solutions being provided by organizations such as SAP and our clients actually becoming more data-savvy themselves, we are starting to see some positive progress. I mean, we have something we call our high-impact people analytics research that we do and we define a maturity scale, and it's interesting to see over the last several years how a higher percentage of organizations are moving up that maturity scale. And I think it's a confluence of some of those factors that I just mentioned.

Continuing our discussion on insights, can you share with me ways that organizations can leverage the power of insights regarding their workforce and integrate those insights into their business operations? And the reason I ask this is that, you know, for many an organization, that really is the ultimate place they want to get to. They maybe start their journey on maturing their ability to just leverage data on their workforce more effectively, but the real value starts to come when they actually integrate it with their operational data. What are, what are you seeing, in terms of the needs of your customers in that area?

**Dan Beck:**

Yeah, that's right. As we look at the type of analytic to-dos, if you will, that the typical office of CHRO or, you know, in partnership with the office of the CIO are looking at, I'd say we're moving from the more traditional trend and headcount report, attrition analysis, span and control, to much more sublime topics like, you know, what's my skill mix? What's the tapestry of my workforce with a skills and a focus on career mobility, skills, and reskilling? More and more questions I'm hearing from senior HR leaders that sound more like something you might hear from the Office of Finance, right?

"If I hire this many people in this geography, what's the impact on the bottom line? If I can move to a lower-cost location, what's the impact on the bottom line? If I promote and compensate people, what's the impact on the bottom line?"

So I think that strategic people decisions, personnel decisions, and how it affects the business, that line of sight is very clear. Now, it's always a partnership across sort of HR and finance, but that's a kind of interesting trend I'm seeing that I think is directly tied to the macroeconomic headwinds we've seen over the last couple of years.

**Bill Docherty:**

Yeah, I would say we're seeing a lot of the same traction that you just mentioned there, and how HR leaders become really intrinsic business partners, right? And help drive those kind of operational strategies by effectively using strategic workforce data as you outlined.

**Dan Beck:**

That's right.

**Bill Docherty:**

Dan, I really appreciate your perspective in terms of what you're seeing in the market. You know, I would imagine, like most best-in-class, or many best-in-class, technology organizations, like SAP, you know, you're leveraging your own technologies internally. I like to use the adage kind of drinking your own champagne. Can you share a little bit of perspective on how SAP might be leveraging your own technologies to drive your own operational excellence?

**Dan Beck:**

I'm very happy to. I mean, I know, it's, uh—I'm old enough to have—the adage was “eat your own dog food” back in the day, but yeah, we actually have a new chief people officer and board member, Gina, who joined us in February, so it's funny. The first conversation I had with her was about strategic workforce planning and how we do it, how we're going to take it a next level, and how we're going to do that in service of SAP's broader goals. We've got 110,000 employees across 100-plus countries, and so it's really interesting. And, you know, we have, I'd like to say very sophisticated—you know, you could tell me, Bill, if it's best

in class, focused on strategic workforce planning—a very sophisticated team. Of course, using tools like SAP's Analytics Cloud on top of SAP Datasphere, and so we're using our own tools and SAC planning (SAP Analytic Cloud planning), so a very robust kind of financial workforce etc. planning tool.

We have six primary inputs to that: role composition, skills, demographic, location, org, and org agility, as well as external workforce, which I don't think we're alone in that, where we have very large populations of non-employees doing important work for the firm. So put that all together and we're having, I'd say, much more meaningful discussions about how our people are focusing on our business objectives and, of course, serving our customers. All that said, it's a great case study internally to make sure I and my team, and in partnership with our core technology and innovation team, are serving them, right? And so certainly some of those example use cases we're going to put into the more out-of-the-box mainline product, so that clients can have that snapshot of probably pretty close to what they're looking for.

**Bill Docherty:**

That's great. And I would imagine you've probably shared with some of my past experiences that sometimes your internal teams can be sometimes your most demanding customer, right? And actually are really critical to helping you continue to evolve and improve your offerings.

**Dan Beck:**

Yeah, absolutely. It's not always easy. We, like many clients, have many applications that are adjacent to our core use of SAP SuccessFactors. You know, very commonly, when I talk to large enterprises, they have 50—five zero—or more HR-related applications around their core, say, core HR, core payroll, core talent and recruiting apps. You know, that again, puts pressure on the team to... now you're bringing in other datasets, now you're joining data, now you're needing to report on that data, now you're wanting to kind of have a cadence of how often that gets updated.

So, you know, the challenges are out there. But it is nice to have, I'd say, a team that's doing that internally, and they are a

demanding team. You know, of course, the thought is if we can serve them well, we can serve many.

**Bill Docherty:**

Absolutely. You know, you kind of used the term “challenges” and even though, like I said, we’re seeing positive progress in terms of organizations kind of improving their maturity, there are still opportunities that remain. To that end, what are some of the common challenges you see executives facing in leveraging data effectively to drive their key decisions. Or, you know, where is there still opportunity for them to improve?

**Dan Beck:**

I think that tools and technology do matter. You know, the problems are where does the data reside, can you get it into a place, how do you want to transform it and look at it? What is that distribution mechanism, and how do you do it all in a secure fashion? So these are problems that members of, you know, I and my team kind of face every day, right? Because you can’t just have a dashboard that’s open to all, right? It’s got to be a dashboard that’s appropriate for the data that you can see within your span in the organization adhering to data privacy rules and regs.

I do see, to my earlier point, HR being asked to do more with less, so they want to see that impact on the bottom line. They want to see that cost of the contractor as part of a total workforce labor cost picture. And so now you’re bringing in data. But I do think some of it comes down to skill set of the team, right? I see more HR functions investing in more data analytics skills. And so it’s more common, I would say, certainly today, than if you back up even three or five years, to have a more robust, more sophisticated people analytics team, people data analytics team. Different language for it.

And I think that’s great because as customers rightly say that their number one asset is their team, is their people, and they want to apply that capability, that know-how, that energy towards their business objectives. You know, data can really unlock that, to make sure that they’re making progress against that, using the

right talent to execute against business objectives. So I do think we’re seeing stronger tool sets to help with it but also that investment in, if you will, the people driving the analysis.

**Bill Docherty:**

Well, Dan, that was great. I mean, thanks for your perspective in terms of some of the common challenges that you see client executives facing.

When you think about some of those challenges, how do you see a robust people analytics technology platform, like SAC for example, playing an important role in addressing some of those challenges that they’re dealing with?

**Dan Beck:**

This is going to be really exciting period for practitioners in the analytic space because in, and this’ll be a brief aside, Bill, but just, just go with me.

Just today I saw some of our soon-to-be-delivered-to-our-customer AI meets payroll. And it’s really interesting because we have a global world-class payroll set of offerings, 100-plus countries we support in global payroll, but a lot of times, you get that pay slip in a certain country and you have a question about it. And so we see this internal SAP. It’s not uncommon for other customers to have tickets logged and support questions around pay slips. And it gets kind of nuanced, right? Because you get into health benefits, social insurance, taxes in a particular geography. So we’re going to use AI with our dual chatbot to ask and answer questions that are appropriate for that company, that locale, their needs. So that’s a payroll use case coming to our customers this year, really soon. I saw it in action today. It’s fantastic. That will probably drive down at least half of the questions or tickets related to payroll for all of our customers.

Take that same case to analytics, I think we’re going to start seeing AI used on top of these analytic frameworks just to answer questions. “If I make this pay change, what will the impact be at the bottom line?” And you’ll literally get that back as a[n] AI response, not just a dashboard or, you know, it’ll be that elegant, that elegant, but

brought to analytic workloads, analytic use cases. “Hey, what’s this trend on my team? What’s happening?” That’s where we’re going in investing. It needs to be on a robust technical platform, but I think that’s exciting.

And so if you’re listening to this and you’re an analytic practitioner, I think the next couple of years are going to be truly exciting. Because kind of the hopes and dreams that someone might’ve had even two short years ago are going to become reality here in the near term, which is pretty exciting.

**Bill Docherty:**

That is some really exciting innovation. I’m glad you shared that. And, like you said, move from drowning in data to actually producing insights. But the next challenge we see is how do they interpret them effectively? Is everybody interpreting those insights the same way? And then lastly, what prescribed action should they take based upon, you know, what those insights are telling them? So the ability to leverage some of the innovations you just described there is really, truly exciting.

You know, we’ve talked a lot about the technology side of things but, you know, can you share some other factors, not technology-related, that you see are critical for success with your customers?

**Dan Beck:**

Yeah, I think folks know the importance of making sure organizations have the right strategy, in particular to make the most of their technology assets and to make sure they’re meeting their business objectives, is really, really key. But I’ve got to turn the question back on you, Bill, in that you guys probably have some of the best expertise in the world in helping clients do this. I mean, what are you seeing as you’re helping clients ensure a successful technology execution? Like, what are you seeing out there in the real world?

**Bill Docherty:**

Well, I’m glad you raised strategy because certainly having a well-defined and, most importantly, a consensus-built strategy, right? That all the key stakeholders aligned around is certainly one of those kind of key success factors. I would also certainly point

to three other common focus areas. First, does the organization have the right talent and skill sets to make the most effective use of their technology investments? You know, without the right mix of talent and ongoing education to continue to grow and refine that talent, you know, success was really going to be elusive.

I would say the next factor is culture. I go back to our high-impact people and analytics research, for example, that identify six key findings relevant to success that were not directly related to technology at all, and that included factors such as fostering a data-centric culture, and developing an innovation mindset, that everyone feels empowered to explore, innovate, bring new insights and ideas to the business. And lastly, I would say having the right operating model to support the needs of the business. For example, are you going to focus on, you know, more of a self-service model? We see many of our clients are looking to move from a model where access to data and insights is locked in the domain of a core group of subject matter experts, and they want to push that out to the edges. You know, maybe they might even use the term “democratize access to data.” Well, is that the right approach for your organization or is it more of a center of excellence model that delivers technology and insight services to the business? There’s no right answer there, right? Each one is going to be unique to each organization. I would go to really those four, just to summarize: alignment around that strategy, talent, culture, and then really having the right operating model.

What are some of the ways that organizations can optimize their operating model to maximize the return on their technology investments from your perspective?

**Dan Beck:**

I like everything you just said. I see a real craving out there for senior HR leaders and it’s ultimately starting with whatever data they have is a decent starting point, to start driving data-driven insights. And it might start with just the most basic thing around skills in the org, by location, by geography. You know, I mentioned some of the six factors that we look at internally, but I do think that just kind

of getting the ball rolling, it immediately turns a discussion into a more strategic discussion. And, and you go from, I don’t know, I don’t want to be pejorative, but you go from HR sort of processing transactions or managing compliance concerns to HR as a strategic partner to the business and really in the business, making sure the business is, is meeting their objectives. And, and I think that’s pretty exciting.

I think people leaders are craving it as well, it’s not just senior HR leaders. But you said it earlier, Bill. I do think part of it is skilling and upskilling. If you looked at the topology HR teams today, again, I think there’s going to be a real trend towards data and analytic skills on those teams, so that not, not that they’re not going to partner with other groups, but if you would’ve typically expected your office of finance to have very good analytic skills and maybe secondly your office of IT to have very good analytic skills, I think you’re going to start seeing a real upskilling in data know-how. I think that’s a great trend because in a way, you know, historically, and I know this is, like, 10 years historically, HR might’ve been seen as a laggard there, and now I think they can really take the lead on ensuring that these more powerful analytic tools are being brought in service of applying the talent the biggest needs an organization has.

**Bill Docherty:**

Yeah, I would agree completely. I mean, look. One of the top things we see many of our client leaders dealing with, whether it be in HR or other functions, is really kind of competing for talent and retaining talent. And I, I think that’s only going to continue to be a growing challenge and particularly if you start dealing with skills that are critically important and are in a scarce supply, and I think we see most HR leaders being challenged to come to the table with data and say, “This is how we’re competing for talent. This is where our challenge areas are. This is where we’re having successes.” And it’s the old adage, “You can’t improve what you don’t measure.” Our research is showing it: HR leaders—and like you said, it extends outside of HR leaders—are being asked and expected to become more data savvy, familiar with the data on their

workforce, and being able to kind of develop insights and put those insights into action to actually drive really kind of outsized business impacts.

I think this has been a great conversation. I really appreciate your time today and look forward to future conversations and how both our organizations can help our clients move their initiatives forward and using data and technology more effectively.

**Dan Beck:**

I agree, Bill. What a pleasure to be here with you today. Thank you for hosting me.

**Bill Docherty:**

Take care, thank you again. Buh-bye.

**David Mallon:**

Thank you, Bill and Dan, for a great discussion. This conversation was very timely as technology and tools powered by GenAI continue to progress at ever-increasing speed. When organizations invest in these new technologies, it is important that they establish a strategy that’s fit for their needs, that they have the right talent and skill sets in place to execute it, and that they foster a data-centric culture across HR and beyond. Executives must also themselves be ready to effectively sift through that data to make those informed decisions about their people and their products.

We do invite you to check out Deloitte’s recent high-impact people analytics research on this topic, and while that research does find reason for optimism—that, in fact, the higher percentage of organizations are moving up that people analytics maturity curve—there’s still quite a bit of room to grow.

That’ll do for today. Thank you all for listening to Capital H. Do let us know what you think, rate us where you find your podcasts, and stay tuned for our next episode. Until next time.

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