

Building Game-Changing Capabilities in Workforce Analytics

Spotlight on Project Galileo

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For decades, Human Resources' (HR's) "holy grail" has been achieving the role of a strategic business partner. More than ever before, business leaders expect HR professionals to share insights based on data. No longer can HR professionals solely leverage intuition by providing subjective analysis based on what "we feel" or "we believe." Therefore, it is not surprising that human capital data has emerged as the strongest tool that HR can leverage to elevate its role. This is because business leaders increasingly recognize that the workforce is both an organization's biggest expense and most important investment. In fact, upwards of 40 percent of business expense is on human capital. Establishing Workforce Analytics, including the ability to analyze HR spending, evaluate return on investment, and influence business decisions through insights from data, remains one of HR's biggest challenges and greatest opportunities.

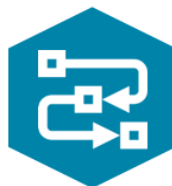
Why is getting started with workforce analytics a challenge for HR?

As the role of the HR function continues to evolve from administrative to strategic, HR professionals must develop new strategic capabilities. In a 2014 research study sponsored by Visier™ and led by the Harvard Business Review Analytic Services, 47 percent of business executives said that a lack of analytical acumen or skills in HR professionals was a large obstacle to achieving better use of data, metrics, and analysis. To close this gap, HR professionals need extensive support to build analytics skills.

What are successful organizations doing to close the workforce analytics skill gap?



Establish strategic intent



Make data relevant



Drive excitement



Offer education & practice

Organizations that are successful in building an analytics culture in HR are acknowledging that HR's analytical capability cannot be built overnight. A sustained and systematic effort is required to transform HR into a function that derives insights from data. Such organizations are implementing carefully crafted strategies that focus on enabling HR to understand the value of data, and the powerful impact HR can have when leveraging workforce/people analytics to influence business decisions.

We have included a best practice case study focused on the work done by McKesson Corporation in building HR capabilities in analytics.

The most successful organizations focus on four key activities to close analytics capability gaps:

- **Establish strategic intent**

Chief Human Resources Officers (CHROs) in successful organizations establish the use of workforce/people analytics as a critical strategic priority for HR. They model their expectations by using data in their executive communications and use data and insight to inform their people decisions. They expect their HR teams to demonstrate the same behaviors.

- **Make data relevant**

HR professionals focus people analytics on important business questions with a clear impact on business performance and outcomes. Some examples include modeling the change in skillsets given a change in business model, retaining top talent in specific businesses, hiring of high-performing salespeople, or retaining high-potential talent. HR professionals avoid generic dashboards and data averaged across the organization that cannot drive deep insight or specific action within a function or business unit.

- **Generate excitement**

The HR function generates excitement for workforce/people analytics by communicating the benefits in leveraging HR data. Involving HR professionals in the rollout of next-generation workforce intelligence solutions that are easy to implement, agile, offer great time to value, user-friendly, and accessible will bolster the function's appeal. Accessing real-time data and analytics in executive meetings will help HR leaders engage other executives. HR professionals are encouraged to demonstrate ownership over relevant HR data by using technology to answer questions around the workforce and in working meetings.

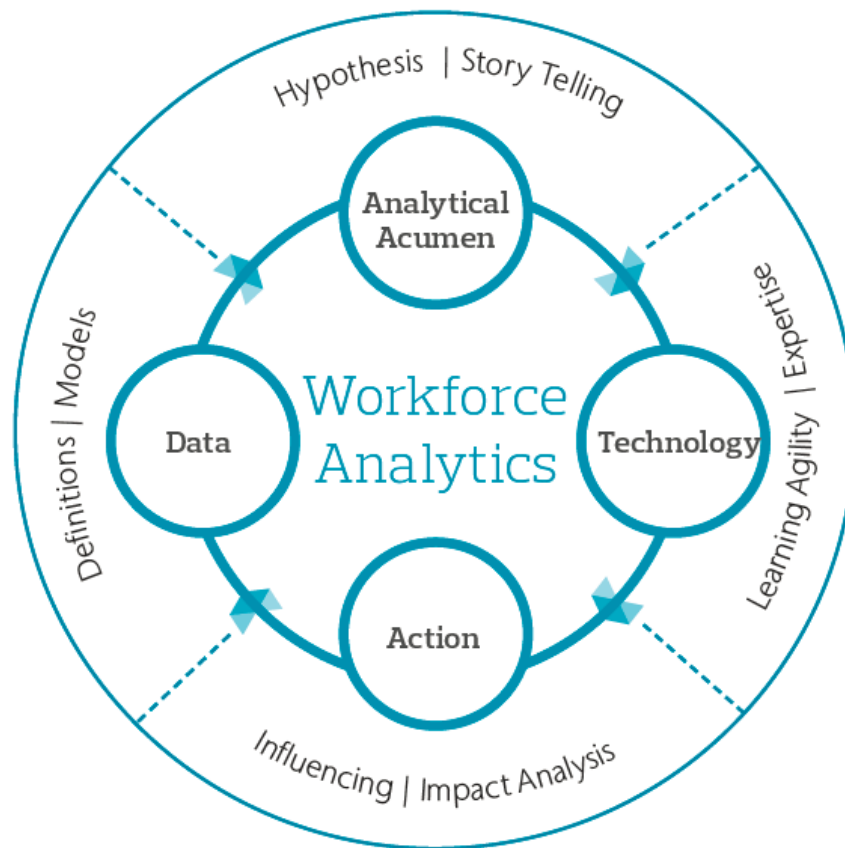
- **Offer education and practice**

Once the organization makes the investment in analytics technology, the HR function capitalizes on this investment by offering sustained capability building (e.g., training, practice opportunities, mentorship). In order to facilitate ongoing capability building, HR offers just-in-time training that has immediate relevancy, is bite sized, and involves practice to facilitate long-term adoption of people analytics.

What should this capability building focus on?

Our capability model is focused on all aspects of analytics and enables the long-term transformation of HR from a transactional business function to a strategic business partner. This model is based on Aon Hewitt's deep knowledge of HR and experience working with organizations that seek to develop workforce/people analytics capabilities.

The Aon Hewitt Workforce Analytics Capability Model



The Aon Hewitt Workforce Analytics Capability Model is comprised of four key competencies:

Data

Building capability around data involves understanding HR data: the nature and types of data, data management processes, and the need for consistent *data definitions*. This section includes the range of *data models* and statistical approaches to aggregate, curate, and analyze data to drive insights and predictions. Depending on the technology an organization adopts for workforce analytics (in particular, if the solution has an intuitive self-service insights capability), this competency can be limited to a few analysts.

Analytical Acumen

Analytical acumen focuses on generating good business questions and analyzing data trends patterns to generate *hypotheses* about human capital outcomes. Exploring data to test hypotheses and building a compelling storyboard based on the data to enable *storytelling* are critical skills. The capability to synthesize findings, leverage data visualization, and build a compelling storyboard is key.

Technology

The ability to learn and navigate the workforce analytics *technology* with agility is a key skill. *Expertise* in the use of the technology solution supports rapid turnaround of analyses, the ability to challenge assumptions, and the expeditious use of data in decision making. Inability to explore real-time people data with ease is a significant disadvantage to an HR organization. Using technology to derive meaningful insights on human capital (e.g., differentiate and reward high-performers, predict potential, build succession plans)—enables HR to create value in a timely manner. The concept of *learning agility* is key for HR professionals who seek to develop competency in the technology as new data and capabilities are added over time.

Action

Analytics should lead to *action*. Workforce/People analytics should drive meaningful outcomes for the organization by addressing challenges such as inclusion, effective hiring, or better incentivizing high-performer behaviors. HR professionals must develop skills in analyzing the impact of key variables and leveraging influencing skills when presenting data and recommended actions. The Aon Hewitt model ties these four competencies to drive capability building within workforce analytics.

Spotlight on McKesson's Project Galileo

McKesson, a Fortune 15 business with leading positions in healthcare distribution and technology, was challenged to drive better business results through strategic initiatives within the HR function. The HR mission supports the vision of better care for all by being a talent champion, ensuring operational excellence, and fostering a high-performance workforce. The Workforce Intelligence Center of Expertise (COE) within Corporate HR was tasked with executing this mission. The center implemented a self-service talent analytics solution into each business unit and provided transformational guidance and training to equip HR leaders with the necessary skills to deliver robust human capital decisions. McKesson's core philosophy regarding implementing an agile analytics solution (Visier™ Workforce Intelligence) was to “democratize data” within HR. Human capital data should be easy to access, analyze, and visualize. Once HR was provided with this solution, the expectation was that HR professionals would be able to use the data and insights to power human capital dialog with the business.

McKesson's HR leadership believed that this vision could only be achieved through a sustained Visier rollout and change enablement strategy, titled Project Galileo. Galileo, after all, wasn't the inventor of the telescope, but his refinements shined clarity and new insights on observational science.

Project Galileo was launched with the objectives of implementing an analytical culture within McKesson and enhancing HR capabilities around analytics. The key enabler to this vision was Visier. The project was initiated with a targeted stakeholder analysis and stakeholder survey. The survey gathered specific feedback on how HR was currently gathering, analyzing, and reporting HR data to the business, as well as their readiness for a solution like Visier. Feedback ranged all the way from tremendous excitement about Visier, to concern regarding data quality, and the use of insights emerging from the analytics solution. To respond to the needs of stakeholders, a multipronged strategy was designed that included engaging business unit (BU) leaders as sponsors, activating an analytics community within HR, developing a change strategy and plan, and conducting ongoing road shows on Visier.

To enhance the capability-building strategy, the Workforce Intelligence team developed a training and support portal, designed learning curriculum and content, and created a virtual office hours' platform for discussion and further learning. Along the way, unique contests were offered and a certification program was created.

The rollout strategy for Visier was designed bearing in mind the readiness of the unique BUs across McKesson. The analytics community rolled out Visier in multiple phases, spanning key BUs and functions in phases. The rollout was supported through extensive training that spanned eight weeks, and had two components:

- Visier training: ability to navigate Visier and explore people data
- Analytical culture: ability to understand human capital data, test insights, build a story, and influence outcomes
 1. The Visier training started with an overview across key functionalities, followed by a deep dive into key features. Each session involved hands-on exercises as well as post-session assignments. The Visier training was wrapped up with a unique session on scenario modeling that enabled participants to investigate and explore data possibilities.
 2. The analytics culture series had multiple components to it, starting with an overview of analytics in the industry and then diving deep into formulating good business questions, developing hypotheses, testing them, building storyboards, data interpretation, and influencing interventions with the business leaders. The sessions closed with a certification process for each business unit.

McKesson's carefully crafted strategy for developing an analytics culture was enabled by sustained learning of Visier's capabilities and guided experimentation of insights on human capital. This strategy accelerated the utilization of the new solution and drove more informed dialogue with business leaders.

Approximately 85 percent of all HR stakeholders have already gone through capability training resulting in an uptick in self-service and recognition of using workforce data to drive decision-making. Though there is still more work to be done (including expanding the amount of data collected from both HR and non-HR data domains), the Workforce Intelligence Center has begun to see a gradual increase in user adoption of the tool. The center has shifted away from navigational and mechanical tool training to more focused workshops on driving insights from the available data in Visier. Self-service and an increased emphasis on analytical capability have allowed the center to focus less energy on building reports and metric-based dashboards and delve into deeper workforce- to business-related correlations. These are certainly positive indicators that our cultural needle has shifted, yet we recognize that the transformational journey is ongoing. There is still more work to do regarding using insights to execute on decisions, review alternative actions, select a course of action, and measure results. We feel confident in our ability to tackle these challenges, recognizing that we have laid the groundwork and created a business-focused analytical foundation.

Change in the HR Lexicon

Using data and analytics to inform people decisions is the future of HR. The HR function needs to transition rapidly from “we feel” or “we believe” to “the data demonstrates” and “we predict.” This transformation of HR will require sustained education of the HR professionals on the fundamentals of analytics. We are not advocating for the entire function to grapple with statistical concepts, but for enough understanding and capability of human capital data to be able to present cogent analyses and advocate for HR interventions based on people data.

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