

Unlocking the Hidden C-Suite Superpower: People Analytics

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About RedThread



Sure, we're experts in performance, people analytics, learning, and D&I—and we're well-versed in the technologies that support them. But we're also truth-seekers and storytellers in an industry often short on substance and too full of @#\$%. Our mission (indeed, our very reason for existing) is to cut through the noise and amplify what's good. We look for the connections (or red threads) between people, data, and ideas—even among seemingly unrelated concepts. The result is high quality, unbiased, transformative foresight that helps you build a stronger business.

To learn more, reach out to us at hello@redthreadresearch.com or visit www.redthreadresearch.com.



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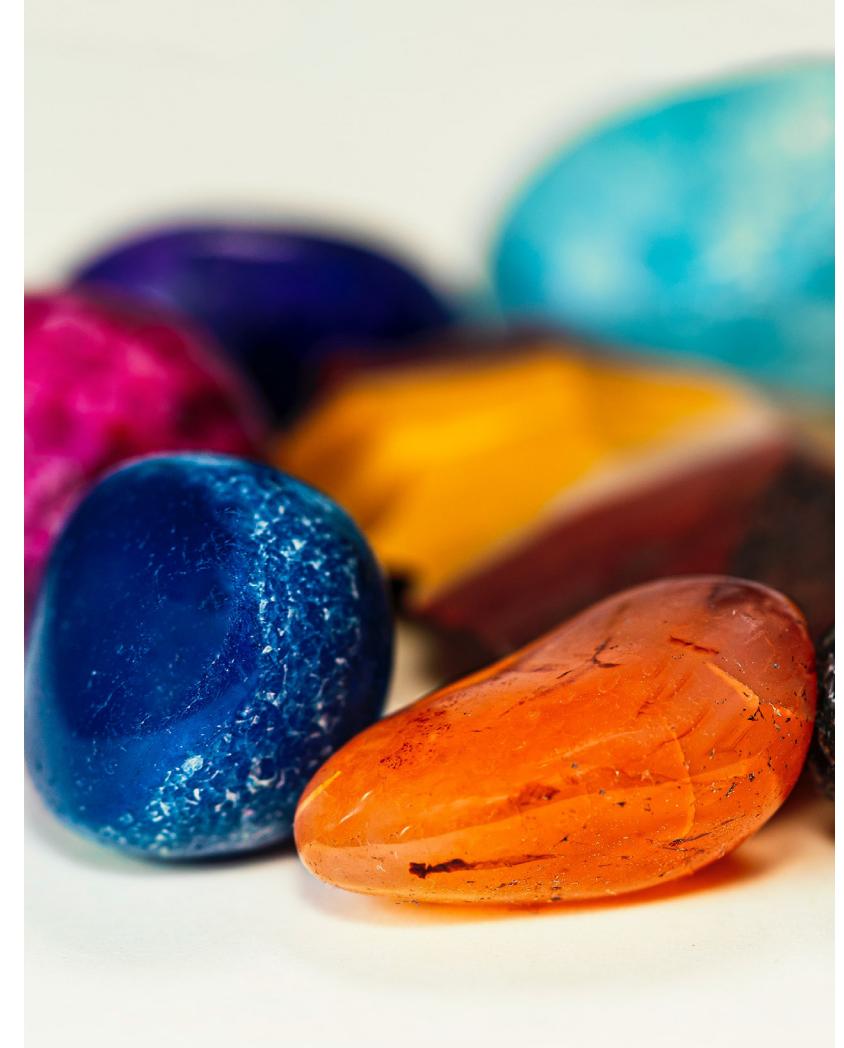
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Key findings

1. **Insights from people analytics can drive millions of dollars of impact for individual companies.** Historically, people analytics (PA) teams focused on HR operational efficiency. However, when these teams' analytical capabilities are targeted at more strategic people-related business problems, they can deliver significant insights that can make a big financial impact.
2. **C-suite leaders, heads of HR (CHROs), and people analytics leaders must partner differently to enable those significant impacts.** To achieve these results, the C-suite, CHROs, and PA leaders need to work together as equal business partners to identify and understand critical problems.
3. **C-suite leaders need to:**
 - Frequently and clearly communicate business strategy
 - Invite PA in
 - Seek answers, not ammunition
 - Model using people data
 - Expect, enable, and fund integrated data
4. **CHROs need to:**
 - Use data to underpin HR efforts
 - Connect PA to large-scale, strategic challenges
 - Be PA's greatest salesperson
 - Get themselves out of the way
5. **PA leaders need to:**
 - Reframe and contextualize complex business questions
 - Create digestible, decisionable business insights
 - Help leaders see around corners
 - Enable rapid truthtelling



Finding better solutions

Let's say you're the business leader of a retail company that's facing persistently low customer satisfaction scores in a subset of stores—and revenue for those stores is dropping as a result. Store managers keep telling you they don't have enough people to cover basic staffing needs during critical hours, let alone to delight customers. You've told them to pay people more and to offer bonuses for better customer satisfaction scores. But nothing seems to work.

What should you do?

If you're like the leader at this company, then you invite in the new head of PA and their team to find a better solution. In this situation, the team quickly identifies that the problem isn't necessarily turnover or compensation, but rather the staffing mix. Specifically, many stores need additional resources for limited periods of time—say from 3 pm to 6 pm—not for an entire shift. However, scheduling full-time employees for these shifts doesn't work because those workers don't make enough money to make it worth their time.

As a result, the PA team and HR propose—and the company eventually adopts—the creation of a new role that adds team members during high-traffic periods. Critically, this new part-time role is specially designed for those working only during these shorter shifts. The company identifies a strategy for this part-time role—what to pay them, what to train them on, and

how to ramp up and retain them. The PA team also targets a specific talent pool—high-school students and retirees—for whom these shorter shifts are ideal.

The result? Customer satisfaction scores more than doubled in these stores—positively impacting revenue. The return on investment was more than 150%.

Beyond this specific situation, though, C-suite executives came to see PA and HR in a new light—as being critical to solving business problems. And, with the new world of flexible work, that's just the perspective leaders need to have if their organizations are going to come out of the pandemic successfully.



Why people data? Why now?

Agendas for boards and CEOs have never been so crowded with talent-related topics—workforce strategies and wellbeing; diversity, equity, inclusion, and belonging (DEIB); culture; and, corporate purpose.¹

While much of this focus is driven by the need to manage in the post-pandemic world, the attention on talent will remain for years. This is due to longer-term, significant trends—such as the dramatic changes resulting from more affordable artificial intelligence (AI), machine learning, and robotics; diversity and population shifts; and, the changing expectations of stakeholders and shareholders coming in the form of more stringent reporting on both ESG² and human capital metrics.³

Traditionally, many leaders made people decisions based on anecdotal conversations with employees and their guts. While far from ideal, this approach was well and kicking until March 2020.

The COVID-19 pandemic took that approach out at the knees. For the many leaders who could no longer go into their workplace, happenstance conversations stopped. They had a computer screen and a crisis. Leaders turned to people data and analytics to understand what was going on.

The experience proved enlightening: Many leaders came to realize that their perception of reality didn't match that of their

employees. For example, one survey from the latter half of 2020 compared C-suites' and employees' responses to their organizations' pandemic efforts. When asked if companies supported the physical and emotional health of employees, 80% of executives agreed—as compared with just 46% of employees.⁴ Further, when asked if organizations provided adequate training to work in new ways, 74% of executives agreed, as compared with 38% of employees.

Clearly, a lot of people data-based insights will help C-suite leaders manage their companies more effectively. The question, though, is: What is the role of C-suite leaders in enabling and using those insights? And what can CHROs and PA leaders do to help C-suite leaders leverage people analytics to make better decisions?



People data: The C-suite's underused superpower

Recent research from IBM shows that, when C-suite leaders and CHROs are aligned on making data-driven people decisions, their organizations are more flexible, more innovative, and more profitable than their industry peers.⁵

A consistent theme among these companies (what IBM calls "torchbearer" companies) is they're deeply committed to collecting, using, sharing, and funding data, especially when compared to "aspirational" companies, which don't perform as well and are earlier on their data journey (see Figure 1). As a result, torchbearers have reliable data that can be used for making critical decisions.

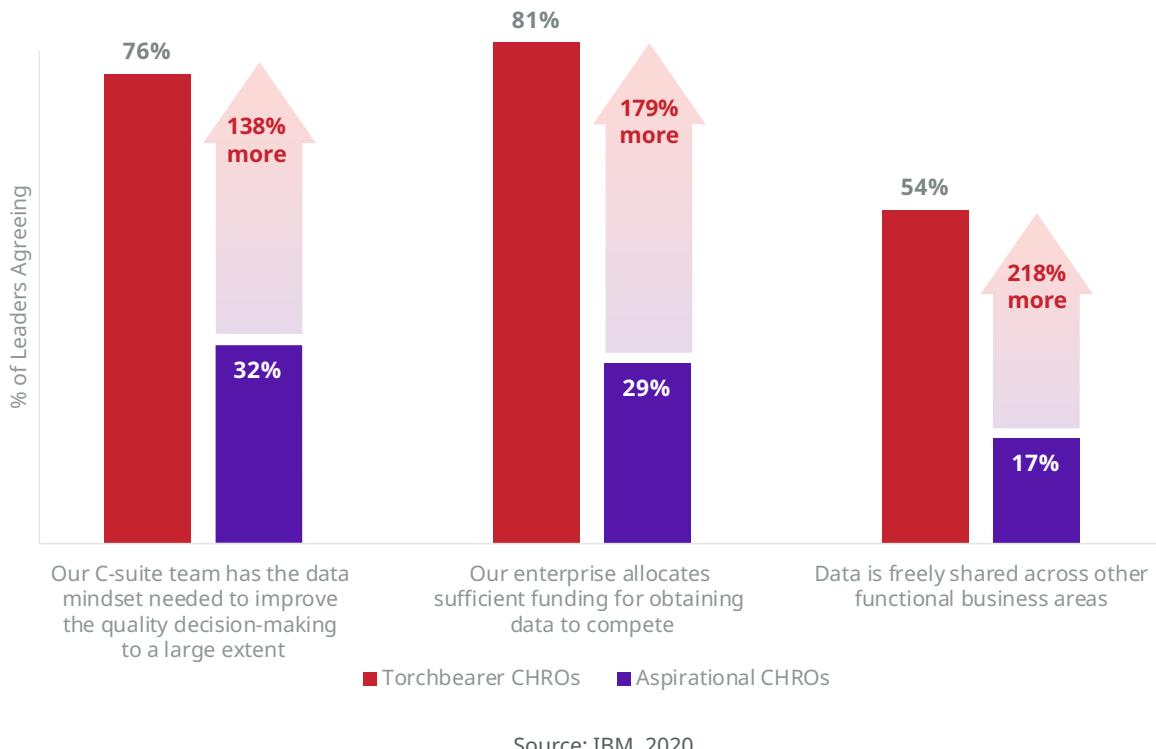
Reliable data is just the beginning, though. There are a host of other behaviors and activities that C-suite leaders—as well as CHROs and people analytics leaders—need to do differently. Figuring out what those are is the purpose of this study.

We specifically want to understand:

- What types of behaviors, approaches, and questions should C-suite leaders use to get better people-related insights?
- What types of behaviors, approaches, and insights should CHROs and people analytics use to support C-suite leaders?
- What types of results might leaders expect of effectively integrating people insights into critical business decisions?

To get to the answers, we reviewed more than 60 articles and conducted 25 45-minute interviews with business, HR, and people analytics leaders. Our aspiration is this article will help senior business leaders, HR leaders, and PA leaders better use people data to make more effective business decisions.

Figure 1: Critical Analytics Behaviors for High-Performing Orgs



“Approximately 40% of my time is now dedicated to promoting technology and data initiatives, which definitely wasn’t the case 3 years ago.”

—CEO, Healthcare, Argentina⁶



Partnering for people insights

When organizations effectively use people analytics, CHROs, the other C-suite leaders, and PA leaders each have a set of equally important responsibilities (outlined at a high level in Figure 2).

- **C-suite leaders: Inviting insights, setting expectations.**

As the people with the most power in an org, it's up to these leaders—in collaboration with the CHRO—to invite PA into the business problems they're facing. C-suite leaders are also responsible for setting expectations of the types of insights they need from PA and communicating to the organization they should use PA to make data-driven decisions.

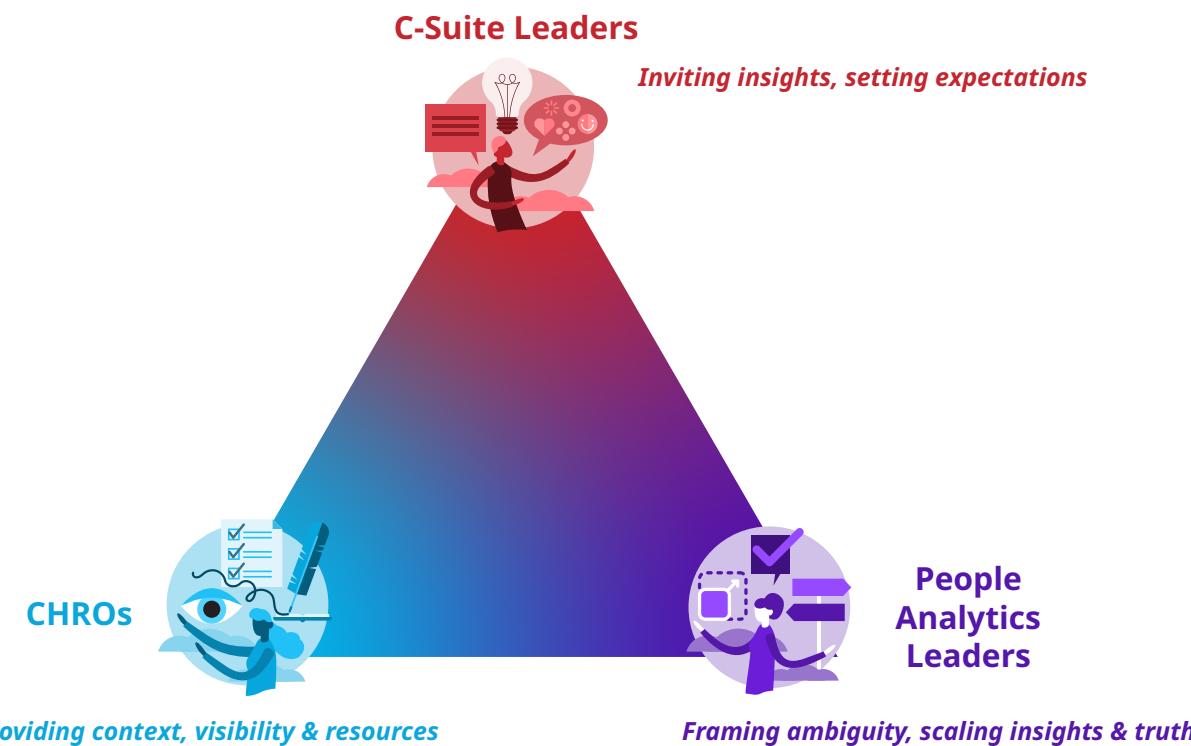
- **CHROs: Providing context, visibility, and resources.**

CHROs are responsible for providing context to other C-suite leaders (how insights connect to broader talent trends as well as about nuances in the data) and to PA leaders (about business strategy and its connection to people strategy, political issues, etc.). CHROs are also responsible for championing people analytics as a source of analytical insights that can solve business problems and for ensuring that the PA team is resourced appropriately.

- **PA: Framing ambiguity, scaling insights and truth.** One of the greatest strengths of a PA team is its ability to frame and understand problems differently. Practically speaking, this means adding a new dimension to business questions, creating and investigating new hypotheses, and framing business decisions clearly. The PA team should be doing this equally for C-suite leaders and the CHRO.

It's important to note that each of these groups has a relationship with the other 2—and that specifically, people analytics is not hidden beneath the CHRO.

Figure 2: Partnering for People Insights—Roles for C-Suite, CHROs & PA Leaders



Source: RedThread Research, 2021.

"What I've had to really fight hard for is that our C-suite understands that people analytics is not just reports. It's not just a flashy dashboard. It's about research, bringing the outside in, and being able to distill and synthesize all that information into 'Here's what you need to know to make better business decisions."

—VP People Analytics, Retail Company

C-suite responsibilities: Inviting insights, setting expectations

C-suite responsibilities | CHRO responsibilities | PA team's responsibilities

Our research uncovered a wide range of responsibilities for C-suite leaders when it comes to creating a people-data-driven culture. These can best be summarized in the numbered bullets in Figure 3. We explore each bullet in detail.

1. Frequently & clearly communicate business strategy

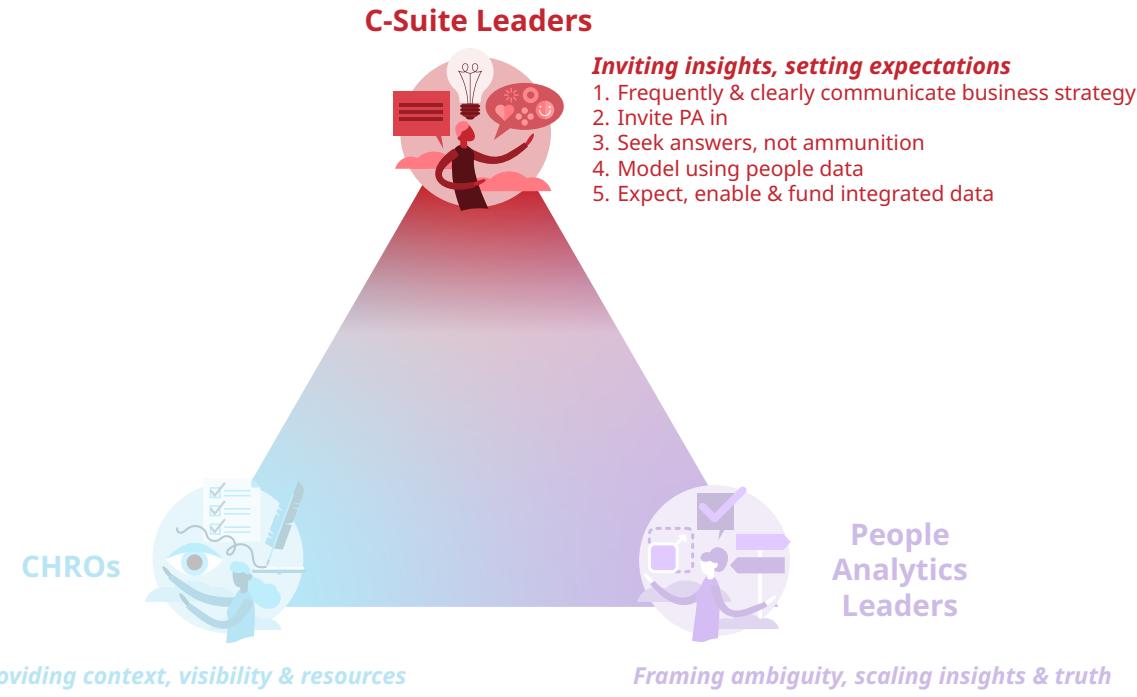
One of the most consistent refrains we heard during our interviews is the importance of C-suite leaders consistently and frequently communicating the business strategy. By doing this, both HR and PA leaders can better anticipate business needs and plug in their own insights more effectively. (See "Real-World Threads: Driving pandemic response at Merck & Co." for an example of this)

Some of the most forward-thinking orgs we've spoken to connect their PA team directly to their strategy office. This ensures that—when the organization considers changes with major strategic implications, such as an acquisition or expansion into a new region—the people aspects of those decisions are considered. For example, if the org is considering an expansion into a specific region, then the PA team can look at supply and demand for critical skills sets in the relevant cities. C-suite leaders can require that strategy and people analytics work together.

Another way to communicate business strategy is for C-suite leaders to make sure their questions for their direct reports, the CHRO, and PA tie back to strategic imperatives. If, for example, the

company has a strategy of delivering exceptional customer service and is looking at data for the hiring funnel for technical talent, they could ask, "How is our slow hiring of technical talent going to impact our ability to deliver exceptional customer service?"

Figure 3: Partnering for People Insights—Role of C-Suite Leaders



Source: RedThread Research, 2021.



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Real-World Threads

Driving pandemic response at Merck & Co.

Frequently, company strategy projects at Merck & Co. involve the PA team, recognizing the criticality of people to business success. This foundation enabled the PA team to act quickly during the pandemic to support senior leaders in making data-informed decisions rapidly.

At the beginning of the pandemic, senior leaders communicated the business's priorities broadly:

1. The health and safety of employees
2. Continuity of the supply chain
3. Continued normal operations

This clarity on priorities enabled the PA team to quickly identify and act on business needs. As a result, the PA team—along with HR, facilities, operations, and cybersecurity—began building and designing an internal real-time dashboard to track employee health within 24 hours of the pandemic being declared. This dashboard combined internal and external data from many different data sources to provide a single location for insights.

During the pandemic, the dashboard has served as a critical guidepost for leaders, who would pull it up during discussions with employees—and when end users are trained epidemiologists and medical professionals, the bar is set very high. Given this reality, the team partnered with internal experts to develop data visualizations that mirror what medical professionals in the field have been using to understand the pandemic.

"If you'd like to provide a critical service in a short time, consider reacting to natural events and employee safety—(literal or metaphorical hurricane)—show leaders the severity of the risk to their employees and help them make better decisions."

**—Jeremy Shapiro, AVP, Workforce Analytics,
Merck & Co.**

In addition, the PA team created pulse surveys and employee listening analyses to measure those 3 business-critical priorities (listed to the left). This information helps the team identify other needs that should also be addressed.

Ultimately, PA has delivered insights critical to business needs—enabling the organization to make better decisions during an incredibly difficult time. The PA team is continuing to build on this success, as it now considers topics such as return to work, flexible work arrangements, and managing the "Great Resignation."

"What we saw with the pandemic is that crisis management, of course, calls people analytics to a new realm—but that it doesn't have to stop there."

**—Jeremy Shapiro, AVP, Workforce Analytics,
Merck & Co.**

C-suite responsibilities | CHRO responsibilities | PA team's responsibilities



C-suite responsibilities: Inviting insights, setting expectations

[C-suite responsibilities](#) | CHRO responsibilities | PA team's responsibilities

2. Invite people analytics in

C-suite leaders at most organizations typically have 2-3 HR presentations on data every year—1 on employee engagement, 1 on succession planning, and (especially now) 1 on diversity and inclusion (D&I).

While we'd never discourage these presentations, we do, however, want to point out that these are static reports which result in annual conversations. They're better than nothing.

However, they're not enough. Instead, C-suite leaders need to expect that people data and insights will always be an input into business decisions—and, therefore, expect PA leaders to be involved in critical business conversations.

Practically speaking, this means PA leaders sit alongside the CHRO in critical C-suite meetings—offering people-data based insights and recommendations. The PA team can then do targeted research on specific questions and present that data back to the C-suite. This will likely lead to more questions—but that's part of the point: To truly understand and make the best decisions.

Another way C-suite leaders invite people analytics in is by collaborating with the CHRO and the PA team to identify critical people metrics—similar to critical finance metrics—that'll be tracked and discussed consistently. We've identified the most commonly mentioned metrics in Figure 4, but want to stress that these metrics will likely be customized by organization.

“C-suite leaders need to think of people data the same way they do about finance data—essential to nearly every business decision.”

—VP, Global Talent Management, a large business services company

“Don’t look to analytics to answer all of your questions, it’s been my experience that it tends to cause you to ask more questions. This isn’t a bad thing! It often leads to great discoveries.”

—Trent Cotton, VP, Talent Acquisition, Retention & Insights, Bureau Veritas Group

Figure 4: Common People Metrics for C-Suite Leaders



Source: RedThread Research, 2021.

Real-World Threads

Redesigning return to work at Uber

The PA team at Uber is very clear that its primary customer is the business and it exists to empower leaders to make evidence-based decisions through people data. The team's vision is to make people data-based insights readily available and ensure that strategic decisions are made based on them.

As part of this vision, the team implemented a continuous listening program once the pandemic hit to understand the changing needs of their employees, and track employee engagement and wellbeing. The program also helped inform how they thought about returning to the office in 2021.

As part of the program, employees were asked for their preferences around returning to the office. The team also collected passive data around collaboration and productivity. These data showed that, while overall collaboration was high, the informal connections and team cohesion had gone down.

These insights helped inform the leaders' decision to adopt a hybrid approach in April, which allowed employees to work from home 2 days a week. The PA team continued to monitor employee sentiment post-announcement and noticed a shift in preferences. Employees wanted greater flexibility. As a result, the leadership was able to use people data to design and update their policy, and announce a new one that meets the changing needs of their employees.

By helping drive policies which are based on insights from people data, the team's working to ensure that people data and insights will always be an input into business decisions made by executives.

This people data-centric approach recognized the employees' strong desire for flexibility, while also understanding / balancing the company's need for intentional collaboration and connections to build and sustain the culture. Employees' perceptions of enablement (or their ability to do their job effectively under the current conditions) has risen 8% since the announcement.

With the CEO making decisions based on people data / analytics and transparently communicating this fact with employees across the org, perceptions of trust and feelings that action will be taken based on employee voice have increased. Since the announcement, employees' trust in the company (as measured by employee surveys) has increased by more than 9%, now at its highest level. Employees' beliefs that action will result from their responses to the surveys rose by more than 17% since the announcement, also at its highest level.

As a result of their work, the PA team is seen more as a strategic partner for decision-making. While their visibility continues to grow across the company, the volume of requests for transactional / operational data has declined. Instead, they're being brought into more strategic, business-focused conversations earlier in the process by the business leaders.

C-suite responsibilities | CHRO responsibilities | PA team's responsibilities

"The C-suite should think of people analytics as a thought and decision partner. They should look to people analytics to understand how they should approach a particular problem and to help them see around the corner. They should look to them to understand when the data is really worth acting on and when it is not."

—RJ Milnor, Global Head of People Analytics and Chief Data Officer for People, Uber

C-suite responsibilities: Inviting insights, setting expectations

[C-suite responsibilities](#) | CHRO responsibilities | PA team's responsibilities

3. Seek answers, not ammunition

Based on our experience, we think it's safe to say most C-suite leaders usually have pretty clear agendas and perspectives on what's happening and why. Often, when they turn to data, it's to find ammunition to support their point.

This is not an effective use of people analytics.

People analytics is most effectively deployed when it's used to reframe problems, uncover different approaches to challenges, to debunk myths or assumptions, or to understand what's really happening.

To do this, PA leaders should understand the business problem that needs to be answered. What they don't need is to be told what type of analysis to run, what type of data to use, or what the expected outcome is.

The people analytics team is not a service center—they're an analytical partner in solving business problems that are especially, but not only, related to people.

Finally, it's critical that business leaders be open to the unexpected—whether it be bad news, different insights than what they thought they'd receive, or something else. The worst case is for C-suite leaders to get defensive when they're receiving information about their people. The old adage of "Don't shoot the messenger" applies here.

"I always tell my C-suite executives to leave their egos at the door. We can either spend 10 minutes on the results and 20 minutes figuring out what should be done about them ... or we can spend that 20 minutes smoothing over their egos. Only one of these approaches helps the business."

—Director, Talent Analytics, a global electronics company

"Senior leaders should ask themselves whether they're truly open-minded to the insights and truly open-minded to an evaluation of all the decision-making about people in the organization."

—Esther Bongenaar, former VP HR Data and Analytics, Shell

"Feedback is a gift, but rarely felt so in the moment."

—Jeremy Shapiro, AVP, Workforce Analytics, Merck & Co.

Real-World Threads

Solving high attrition at an electronics company

At an international electronics company, people analytics is used to help C-suite leaders understand critical business questions, such as the challenges of the workforce today, the people implications of where leaders want the business to be in 3-5 years, and what needs to happen with talent to get there. The need to deeply understand workforce challenges was especially acute in a recent situation with one of the company's plants.

The specific problem was that one of their plants had an annual attrition rate of 57%—meaning there was literally a new organization in place every 2 years—and there didn't seem to be any way to stop it. The factory was in a smaller city and there didn't seem to be any new sources of talent. The team at the factory brought in additional recruiters to increase pipeline and hiring volume to offset attrition. However, being a relatively small labor market and the factory having quite a high demand, that did not pan out as they had planned. The team also tried to look at retention incentives and other pay incentives such as night-shift bonuses. While that did work, its impact on attrition was minimal.

Business leaders were concerned that people were leaving faster than they could be replaced, and it was causing them to be unable to meet their production targets. They turned to people analytics as they couldn't seem to find the root cause of why people were leaving. Business leaders had their hypothesis based on anecdotes, but HR didn't have the tools / insights they needed to dispel myths.

The people analytics team's analysis showed that the company was targeting the wrong age group for recruitment—high school students—to work at the factory. The jobs were demanding: a 12-hour shift, 4 days in a row, on a rotational basis with an occasional weekend as a holiday. Further, the plant was located outside the city, making it hard to reach. As a result, they had a high turnover of workers.

In addition to shifting the target demographic for recruitment, the team made some significant changes locally, based on the data analysis. For example, they focused on driving a high-performance culture through a recognition and rewards program. In addition, they put energy into improving managers' focus on employee engagement, and increasing manager tenure and stability. The company also rolled out a career pathing program for employees at the plant, so people could see what their trajectory and compensation could be if they stayed at the organization. Finally, they improved employees' ability to get to the plant by offering shuttle buses to / from the city.

As a result of the insights and the resulting initiatives, the company was able to reduce its attrition level to 23% in 2 years—which is the lowest that they've seen within the organization—and save approximately \$3 million per year in cost to replace people and productivity loss impacts.

C-suite responsibilities | CHRO responsibilities | PA team's responsibilities

"One of the ways C-suite can get the most value out of their people analytics function and ensure their success is by being open to feedback and understanding that this work is not about them, it's about their business and people. There needs to be a genuine desire to drive change and ask for help when they don't know how to."

—Director, Talent Analytics, a global electronics company

C-suite responsibilities: Inviting insights, setting expectations

[C-suite responsibilities](#) | CHRO responsibilities | PA team's responsibilities

4. Model using people data

C-suite leaders must be seen using people analytics data for it to be broadly adopted by their companies.

The first step here is for C-suite leaders to understand the people data that most impacts their business. As mentioned earlier, working with the PA team to develop a standardized set of 3-7 people metrics—reviewed on at least a quarterly basis—is a great start.

However, those standard metrics aren't enough. C-suite leaders also need to understand how investments in people will influence important outcomes they care about.

An example of an organization that can articulate this is Unilever—the company knows an investment of \$1 into employee wellbeing will generate a return of \$2.50 to the business.⁷

Further, as organizations make targeted investments in certain initiatives—such as DEIB or employee retention programs in the face of the “Great Resignation”—they'll need to know what they're getting in return for those efforts.

It's important—especially for companies earlier on in their PA journey—that leaders at all levels see C-suite leaders using people data and metrics to explain the current state and to make decisions. An example of how one CEO did this is in the following “Real-World Thread.”



“Leaders need to know that they are the ones with the light in their hands. Nobody will change their behavior and utilize the people data if they are not spearheading it from the top, because it is a significant change.”

—Jacob Jeppesen, Senior Manager, Data & Analytics, International Operations, Novo Nordisk

Real-World Threads

CEO modeling using data at Protective Life

Senior leaders at Protective Life, a large financial services company, understand what's happening with their people because they have anytime access to a dashboard of company-critical people analytics data. Given that the company is relatively early on its PA journey, this is a big win.

That said, what really matters is if senior leaders are using and modeling the use of people data—as that's how organizations actually adopt a data-driven culture.

The PA leader has been working with C-suite leaders to enhance their understanding and use of people data. Recently, the CEO had an opportunity to model his proficiency with that data.

It happened in a recent monthly all-company virtual town hall, when the CEO answered an anonymous question:

"Given the impending great resignation, what are we going to do to keep our people?"

Without any preparation, the CEO shared accurate data (within a tenth of a percentage point) of their resignation rate. He also explained the recent trends over time—adding in his own commentary of what he thought was driving some of those changes. And, critically, he even consistently used the correct terminology to explain the data.

By doing this, the CEO set a very public and clear example to the company of leveraging data, and modeled a data-driven behavior.

[C-suite responsibilities](#) | CHRO responsibilities | PA team's responsibilities

"When it comes to people analytics, a lot of people use the same word but with different meanings, and using the correct terminology is something that we've tried to drive home. The fact that the CEO used the correct terms in the appropriate context shows me it means that people analytics is catching on and sticking. That's the indicator of cultural change beginning to happen."

—Matthew Hamilton, Head of HR Strategy and People Analytics, Protective Life



C-suite responsibilities: Inviting insights, setting expectations

[C-suite responsibilities](#) | CHRO responsibilities | PA team's responsibilities

5. Expect, enable & fund integrated data

One of the most important activities C-suite leaders can do is set the expectation across the entire organization—and certainly within HR—that there'll be a strategy of shared data structures and capabilities. This is absolutely essential if C-suite leaders want to be able to trust the data—there must be a single source of data truth that the entire organization uses. Otherwise, C-suite leaders will feel they can't trust the data and will, therefore, not rely on it to make decisions. (No one really wants another conversation about why finance's and HR's numbers for "full-time employees" are different.)

In addition, it's critical for C-suite leaders to set the expectation that people data will be integrated with other critical operational data—most notably finance and sales data—but it may also include customer, marketing, or other relevant data. This is so important because it's not possible to connect HR data to the business without this integration.

Unfortunately, though, many parts of the organization are not used to HR or PA requesting this data, and, therefore, aren't willing to share it. It's up to C-suite leaders to clear the way.

Finally, C-suite leaders need to be willing to put their money where their mouth is, so to speak, and fund the efforts to integrate different data sources. This'll mean funding people, technology, and potentially external vendors to bring this all to fruition.



Real-World Threads

Changing succession list diversity at a leading enterprise software company

An enterprise software company has a strong C-suite commitment to diversity, equity, inclusion, and belonging (DEIB)—extending from its products to its people practices. To enable them to understand progress, the company focuses heavily on measuring, understanding, and reporting on DEIB.

As a result, the Head of People Analytics (PA) & Insights and the Chief Diversity Officer (CDO) have a strong working partnership. When the CDO joined the company, she introduced a strategy that helped set expectations and promote shared data structures around DEIB—and established the requirements and expectations around what data and insights should be collected. During a dialogue between the CDO and PA leaders, they explored ideas and aligned on where they were as a company, as well as where progress was needed to make an impact. It was this kind of exploration that helped the PA team identify areas they could contribute to and own as projects—one of which was succession planning diversity.

When it comes to succession planning, the organization had historically categorized people in succession pools as ready in “one-year,” “two-years,” or “three-plus years.” When the company analyzed the categories by diversity characteristics, they found opportunities to improve the process for employees in the longer-term categories.

To understand what was happening, the PA team looked at their data-based leadership capabilities assessment of the same people who were in these 3 categories. In addition to reviewing capabilities, this

assessment also looked at whether a person would be successful if they were promoted 1-2 levels above their current rank.

When the PA team compared the 2 sets of data, they found little correlation between the leadership assessment categories and the succession buckets.

The insights revealed that the different year-ready buckets could be improved in certain ways. For example, the company decided to create a pool of “ready-now” leaders and “ready-future” leaders, which reflected the data-based leadership capabilities assessment. This distinction resulted in an increase in the number of diverse candidates in their “ready now” succession pool. Because of the data and insights, the company shifted how it approached talent promotions.

“At the end of the day, if people don't change their behavior and make a different decision, you're not having the impact you need to have.”

—Head of People Analytics & Insights, an enterprise software company

C-suite responsibilities | CHRO responsibilities | PA team's responsibilities



Dos & don'ts: C-suite leaders

C-suite responsibilities | CHRO responsibilities | PA team's responsibilities

To help C-suite leaders take action immediately, we've summarized our learnings in the below "Dos" and "Don'ts."

	DOS	DON'TS
Frequently & clearly communicate business strategy	<ul style="list-style-type: none">✓ Connect PA team to the strategy office to help them understand the business strategy✓ Reach out early to PA with business problems	<ul style="list-style-type: none">✗ Assume that PA is aware of the business strategy and your needs✗ View the insights in silo without a broader context and jump to conclusions
Invite people analytics in	<ul style="list-style-type: none">✓ Invite PA along with the CHRO to critical C-suite meetings✓ Give feedback to PA on what's of value versus what's not	<ul style="list-style-type: none">✗ Let your ego and personality get in the way of receiving helpful insights✗ Make it political✗ Use PA as a service function✗ Make promises on metrics or tasks without checking in with PA
Seek answers, not ammunition	<ul style="list-style-type: none">✓ Be open to receiving feedback from PA that might not always align with what you expect to hear✓ Trust the PA team and data✓ Ask thoughtful questions	<ul style="list-style-type: none">✗ Demand data last minute to verify or confirm your hypotheses and assumptions✗ Expect data and answers immediately, especially if the team or tech infrastructure hasn't yet been built
Model using people data	<ul style="list-style-type: none">✓ Drive a data culture for your teams by modeling using people data and communicating about it✓ Foster a culture of experimentation internally	<ul style="list-style-type: none">✗ Be afraid to have your people-related work evaluated✗ Fear what the data will say✗ Ignore the data because you don't like the message
Expect, enable & fund integrated data	<ul style="list-style-type: none">✓ Clear the way for PA to request and integrate with other organizational data	<ul style="list-style-type: none">✗ Focus on the symptoms rather than the root cause and broader systemic issues



“CHROs have got to be 100% more focused on data than they were in the past.”

—CHRO, Electronics, US⁸

CHRO responsibilities: Providing context, visibility & resources

C-suite responsibilities | **CHRO responsibilities** | PA team's responsibilities

As the leader of the HR function, CHROs have a unique role in helping the C-suite use people analytics. They serve as an exemplar, connector, translator, cheerleader, and benefactor. To do all of these things, they have at least 4 responsibilities when it comes to people data, as shown in Figure 5.

1. Use data to underpin HR efforts

The first and most obvious CHRO responsibility is building the PA team and using people analytics themselves. This means that the CHRO does at least 3 things:

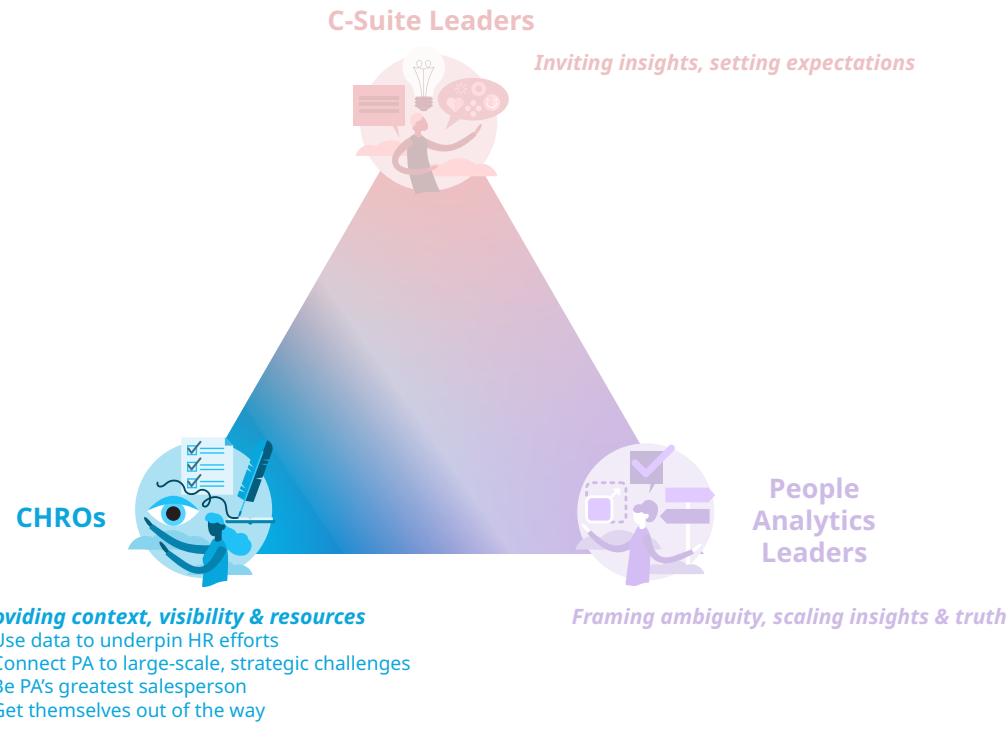
- Sets the HR function's strategy using a data-driven approach
- Collaborates with PA to establish metrics to measure that strategy
- Reports on and explains both those strategic metrics, as well as overall workforce health metrics, to other C-suite leaders

In addition, CHROs work to get their own house in order: They invest heavily in upskilling HR professionals on data literacy. This allows the PA team's efforts to scale much more effectively.

CHROs, in some of the forward-thinking orgs we spoke to, do this by being in frequent contact with the PA leader to understand the data that's important to the business and be in the loop about the different projects PA's involved in.

Beyond those responsibilities, though, there are a range of others that CHROs have uniquely to enable people analytics to do its best work to benefit the business.

Figure 5: Partnering for People Insights—Role of CHROs



Source: RedThread Research, 2021.

“The messaging that comes out from the CHRO about being data-driven is incredibly important in terms of best practices among senior leaders, tone setting, and demonstrating data-driven use.”

—Jeremy Shapiro, AVP, Workforce Analytics, Merck & Co.

CHRO responsibilities: Providing context, visibility & resources

C-suite responsibilities | **CHRO responsibilities** | PA team's responsibilities

2. Connect PA to large-scale, strategic challenges

One of the most important things CHROs do is to ensure the PA team is able to focus on large-scale, strategic challenges. CHROs do this in a number of ways:

- **Invest in appropriate staff.** In order to be able to handle ongoing reporting as well as ad-hoc requests, PA teams need resources that are able to handle multiple requests simultaneously. CHROs who invest in money and resources to help PA with speed and quality are able to drive performance more effectively.
- **Invest in technology.** CHROs who lead with a digital mindset know the importance of investing in tools and technology that allows the PA team to automate, integrate, and share data at scale. Our interviews revealed that CHROs who are invested in PA are much more hands-on when it comes to helping HR in the tools adoption journey, promoting the value, and communicating the expectations around them.

In addition, strong CHROs work very closely with PA leaders to identify problems that, if solved, would have significant impact on the business.

"It's extremely important for the CHRO to have a digital mindset. Our CHRO checks in with us frequently to ask how many of her direct reports are typically leading HR teams for 20-30K employees and how many of them have touched the tools. We regularly have honest conversations around HR leaders using digital tools."

—VP, a large technology company

This doesn't mean, of course, that people analytics never works on smaller projects—it just means that the CHRO helps ensure that the urgent doesn't overwhelm the important.

Two examples of problems CHROs have helped refine are in the following Real-World Threads on IBM and Experian.



Real-World Threads

Reframing & highlighting HR's value to business at IBM⁹

C-suite responsibilities | **CHRO responsibilities** | PA team's responsibilities

IBM, the multinational technology corporation, is well-known for its focus on using data and technology to drive business decisions. Business leaders have applied this data-driven approach to people decisions. One of their more impactful decisions was to focus on projects that have high value to the business, such as managing attrition for critical talent in important areas of the business.

A cross-functional team developed an artificial intelligence (AI) solution which provides personalized salary increase recommendations to managers to help with decision making. The AI recommendations are based on dozens of factors along the dimensions of skills, market competitiveness, performance, and potential. Managers can choose to use the recommendation to help them make objective skill-based pay decisions and foster transparent pay conversations aligned with trustworthy AI's pillars of governed data and AI technology: transparency, explainability, fairness, robustness, and privacy.

Transparency: Employees have access to their pay relative to the market. This transparency fosters evidence-based conversations between the employee and manager. For the underlying AI system, IBM creates AI FactSheets which, like food nutrition labels, provide a framework to document machine learning models and AI services and discuss how the model was created, tested, deployed and evaluated; how it should operate; and how it should, and should not, be used.

Explainability: The system provides managers with salary increase recommendations tailored for each of their employees—each has the reasons supporting and explaining the individual recommendation for managers' consideration.

Fairness: IBM uses AI Fairness 360, part of their open-source toolkit, to help examine the machine learning model for potential bias identification and mitigation.

Robustness: In addition to upholding data privacy commitments, IBM upholds operational rigor around design and use of AI for pay recommendations. They have created and deployed a foundational training module for HR Professionals that includes a Code of Conduct outlining what they do and what they don't do when building and training models.

Privacy: Employee data is sacrosanct. Rigorous processes and accountability help ensure that the use cases covered by all projects adhere to employee and data privacy requirements.

As a result of this work, attrition was reduced by one-third when managers followed the recommendation. The solution was a catalyst for change across the company helping drive the focus towards skills across the employee journey—from how they hire, learn, find jobs and get paid.



Real-World Threads

Saving millions by lowering attrition at Experian

Senior leadership at Experian, a leading global information services company, understands the strength of the PA capabilities at its disposal—and reaches out to the PA team frequently with their questions and challenges. One reason this value is recognized: PA team members are plugged into decision-making processes throughout the company and are regularly involved in high-impact challenges, such as employee attrition. A key role of the global HR leadership team has been to instill an insights-led approach to decision-making in the HR function.

A few years ago, Experian's global HR function found its resignation rates globally were above the industry benchmark. Financially, every 1% increase in attrition was costing the business around \$3 million. This presented a critical challenge to the company as it aspired to create a fulfilling work environment for its employees that inspires a culture of high performance and innovation.

The company's Global Head of People Analytics, Technology & Strategy, Olly Britnell and his team, set about building a data-driven analytics solution to equip global HR teams with advanced insights into the levers and drivers of attrition. The predictive attrition tool is based on the same methodology used by the company to assess credit risk for their clients. The "Attrition Risk Model (ARM)," as it's called, takes in data from up

to 200 employee attributes—including core HR and talent data—to give a comprehensive assessment of those at risk of leaving. The "risk score" is calculated based on the most predictive 15-20 attributes—which is then visualized in an online platform that allows the user to understand the risk profile at macro, team, and individual levels.

The tool is not a "black box" risk score: It allows the user to really understand the factors influencing attrition (and retention), model different scenarios, and share insights with the business. This insight is practical and pragmatic: It can be used as part of core people management decision-making and is far more proactive in the way that Experian tackles attrition. As a result, global attrition for the company has been reduced by 4%, with a savings of more than \$14 million.

Having successfully demonstrated the impact that predictive analytics can have on the business, the HR team now works with external organizations to help them tackle similar challenges by using the same approach and solution. This has further amplified and elevated HR's role and its analytics capabilities for the business.

The PA team at Experian now plays a key role across the employee lifecycle—providing insights and challenges in areas ranging from recruitment, and D&I to culture and engagement.

C-suite responsibilities | **CHRO responsibilities** | PA team's responsibilities



CHRO responsibilities: Providing context, visibility & resources

C-suite responsibilities | **CHRO responsibilities** | PA team's responsibilities

3. Be PA's greatest salesperson

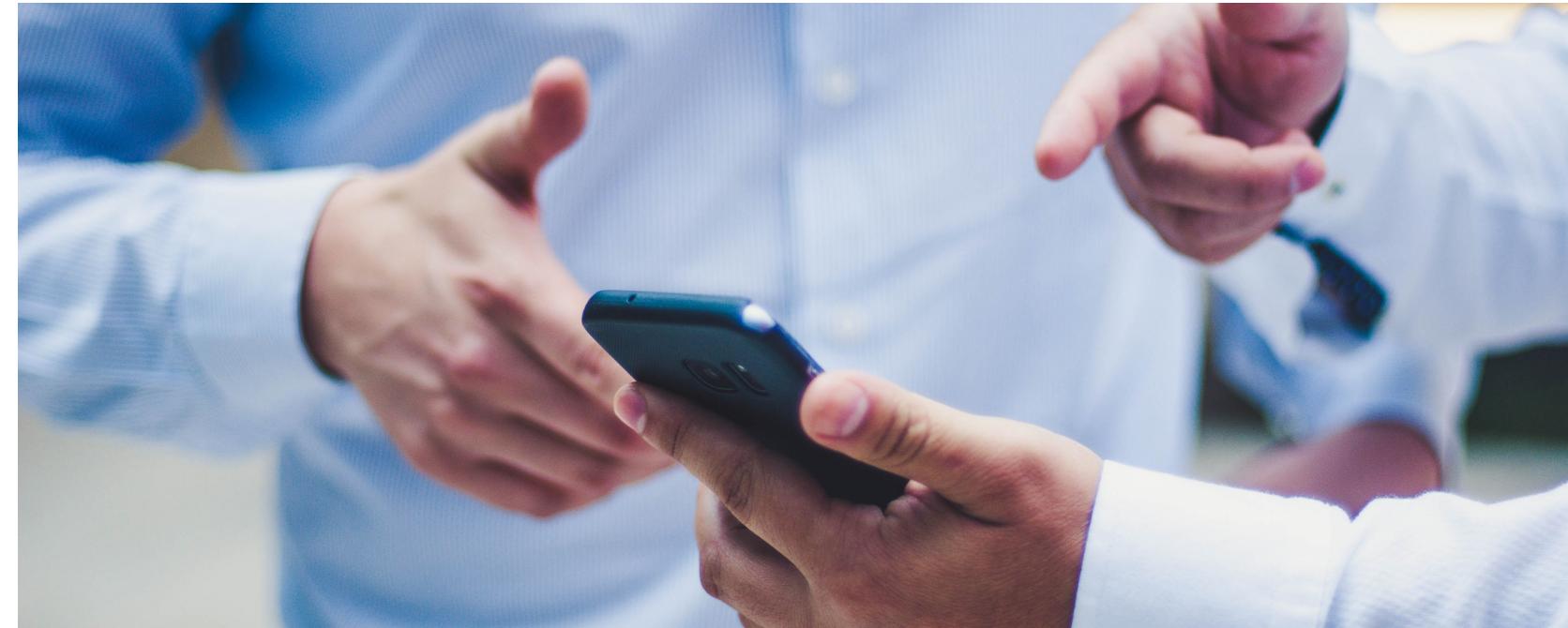
One of the most important ways in which CHROs can help people analytics deliver the most value to the business is by ensuring that PA leaders are in the right conversations.

This can take many different forms. For some organizations, it means bringing in PA leaders to different C-suite discussions—even when there's not an explicit people analytics item on the agenda. Why? PA leaders are always considering situations from the perspective of the measurable implications on people and, thus, can provide a different frame for different business problems.

In other situations, CHROs are responsible for making the connections between specific C-suite leaders (or their direct reports) and the PA leader.

Regardless of the situation, CHROs need to understand—and help others see—the value of what people analytics can offer and connect PA with those opportunities.

This is often helped by CHROs being analytical themselves, but that doesn't always have to be the case. CHROs who don't have a data-based background may not always understand the analytics or know the details—but they very strongly get the value of PA and where it can plug in to help the business. CHROs actively direct business leaders to the PA team with their challenges and questions, while stepping in to share the team's value more broadly.



“Our CHRO is a total champion. She's been really helpful at highlighting our capabilities and is the key connection to the C-suite who understands when a question comes up or there's an issue, where we can plug in and use data to help inform leaders.”

—Matthew Hamilton, Head of HR Strategy and People Analytics, Protective Life

Real-World Threads

Building PA credibility at Nespresso¹⁰

The leadership teams at Nestle and Nespresso have bought into people analytics due to the success of the PA team in developing an analytics approach through projects across the business. Boutique performance is a top business priority for the leaders: The PA team recently worked on producing compelling insights around this priority and translating them into business language that led to overall measurable business improvement.

"The buy-in from employees and leaders means that people analytics has been invited to continue to add business value for years to come!"

—Jordan Pettman, Global Head of People Analytics, Nestle

The Global Head of HR has played a crucial role in making people analytics an important part of developing the business and ensuring that it's increasingly seen as an analytics team—not just a PA team.

"My team and I have seen evidence that people analytics is a problem-solving machine. There was a precedent of good partnering between Jordan's global Nestle team and Nespresso, and there was proof of how we could connect people-data-driven insights to meaningful value."

—Valerie Robert, Global Head of HR for Nespresso, Nestle

In 2020, Robert worked with the PA leader to understand the impact of business strategic areas—culture and behavior—on boutique performance and how they could measure it. As part of their combined efforts, the Nespresso HR team gathered feedback from 8 virtual focus groups and a quantitative survey with 1,300 responses.

Once the analysis was completed, the teams presented their findings to their stakeholders by translating everything into

C-suite responsibilities | **CHRO responsibilities** | PA team's responsibilities

business performance terms in order to engage the leaders. One of their main takeaways from the process has been that PA work needs to be iterative in providing insights to get the leadership engaged progressively.

The work helped the PA team further establish its credibility among the leadership, opened doors throughout the business, and allowed them to add value to the business.



CHRO responsibilities: Providing context, visibility & resources

C-suite responsibilities | [CHRO responsibilities](#) | PA team's responsibilities

4. Get themselves out of the way

As we mentioned earlier, a direct line of communication should exist between PA and other parts of the business. This means that people analytics isn't buried within HR and only serving HR's needs. Instead, PA should be seen as a partner that works with both the business and HR.

When we asked PA leaders about the dynamics of this, those with the strongest CHROs indicated that their leaders actively encourage this relationship. They recognize that the way to drive the greatest change around people is through scaling people analytics.

Of course, CHROs don't want surprises—but they also don't want to be bottlenecks. Therefore, strong CHROs connect PA leaders to the relevant business leader, and then encourage those 2 groups to work together independently. An example of how this can work well follows in the next "Real-World Threads."

The other things that great CHROs do is help clear political battles for PA leaders by handling some of the political groundwork. For example, a specific business unit's employee engagement levels may be low. A supportive CHRO will help manage the message with that business leader as needed.



"Our CHRO values people analytics and has moved the team under her. But she also does not want leaders going through her for projects that we can help with. She prefers it if they come directly to me because, at the end of the day, it's not her job to speak on our behalf."

—Head of People Analytics, a global consumer goods company

Real-World Threads

Solving business-critical talent shortages at a business services company

Business leaders at a large business services company see people data as a critical component of creating and driving business and talent strategy. One reason they understand this connection: The CHRO has been a strong proponent of the work done by the PA team, explicitly connecting business leaders directly with the PA team to understand their challenges more deeply and to frame decisions more clearly.

An example of this occurred when the company was experiencing a critical business issue—high turnover among its drivers. The company was losing too many drivers and not hiring enough—meaning the company was challenged to fulfill customer needs. Being in the business service industry, the company operates in highly competitive, fast-changing talent markets for drivers, making the situation even more difficult to address.

Senior leaders brought the question of driver retention to the PA team to better understand the problem. The team's initial analysis focused on compensation, revealing their rates were low as compared with the market. The PA team also brought in data about which third-party resources they're having to use and pay because they didn't have enough drivers. This gave a much fuller picture of the overall compensation that was being paid for drivers—showing that it could be cheaper overall if the company retained its drivers by paying them a higher rate.

Because the PA team understood the broader business context, though, their analysis didn't stop there. The team also focused on questions, such as:

- How many drivers do we have right now?
- How many drivers will we need to support current and future business needs?
- Do we have the right mix of drivers—short, medium, and long haul?
- What would it mean to add more drivers or change the driver mix—in terms of the company's ability to attract and retain this talent segment?

Through this analysis—combined with conversations with recruiters, managers, employees, and HR leaders—the PA team identified the number and type of drivers they needed to hire over the next few months. The team was also able to identify the resources they needed to do this, including adding more recruiters to the Pitney Bowes team. The PA team looked at pay increases and bonuses to come up with an incentive program to improve retention.

As a result of HR interventions, the company was able to reduce its truck driver turnover by 10%. This reduction in turnover means that the investments in better compensation, incentives, and additional recruiting resources more than paid for itself. The company is now better positioned to meet its customers' growing needs.

C-suite responsibilities | **CHRO responsibilities** | PA team's responsibilities

"It's never just a data analytics issue; it can involve bringing in the recruiter, the manager, and the current employees to understand the issue. There are very few things that we solve solely by looking at data in our excel spreadsheets."

—VP, Global Talent Management, a large business services company

Dos & don'ts: CHROs

C-suite responsibilities | **CHRO responsibilities** | PA team's responsibilities

To summarize some of our key findings from this section, we've pulled them together into this handy "Dos" and "Don'ts" list.

	DOS	DON'TS
Use data to underpin HR efforts	<ul style="list-style-type: none">✓ Adopt a digital first mindset, and embrace data tools and technology✓ Establish clear metrics to measure the success of the HR strategy✓ Share those metrics with other C-suite leaders	<ul style="list-style-type: none">✗ Set the HR strategy without applying a data-driven approach✗ Allow the team to come with recommendations or approaches that lack data
Connect PA to large-scale, strategic challenges	<ul style="list-style-type: none">✓ Hold regular check-ins with the PA leader to communicate the business strategy and find out what's on PA's plate✓ Provide regular feedback to the PA team on the impact of their work✓ Identify opportunities in the C-suite agenda into which PA can be plugged to help	<ul style="list-style-type: none">✗ Restrict the PA team's access to the C-suite by not inviting them to crucial conversations✗ Take up all PA team bandwidth with operational HR issues✗ Keep people analytics at arm's length and working in a silo
Be people analytics's greatest salesperson	<ul style="list-style-type: none">✓ Be an advocate for data among peers and set expectations around using it✓ Invest money in resources and technology to help the PA team and its capabilities grow	<ul style="list-style-type: none">✗ Be a spokesperson for the PA team and make promises on their behalf✗ See the people analytics role as being limited to providing passive reports
Get themselves out of the way	<ul style="list-style-type: none">✓ Connect C-suite leaders and their direct reports with PA leaders directly✓ Identify and help remove potential political issues that may hamper the PA team's effectiveness	<ul style="list-style-type: none">✗ Be a bottleneck between the C-suite and people analytics✗ Require all insights to be run through the office of the CHRO before being shared

“One of the roles we play as people analytics leaders is engaging the C-suite about the data, its implications, and the learnings from the data. All this requires difficult conversations, challenging history and precedence, and to make people think in ways that they haven't before.”

—RJ Milnor, Global Head of People Analytics and Chief Data Officer for People, Uber

PA team's responsibilities: Framing ambiguity, scaling insights & truth

C-suite responsibilities | CHRO responsibilities | PA team's responsibilities

When we focus on how PA leaders can help the C-suite to use people analytics more effectively, 4 themes emerge from our research (see Figure 6).

1. Reframe & contextualize complex business questions

To effectively reframe and contextualize business questions, PA leaders must have a strong understanding of the business.

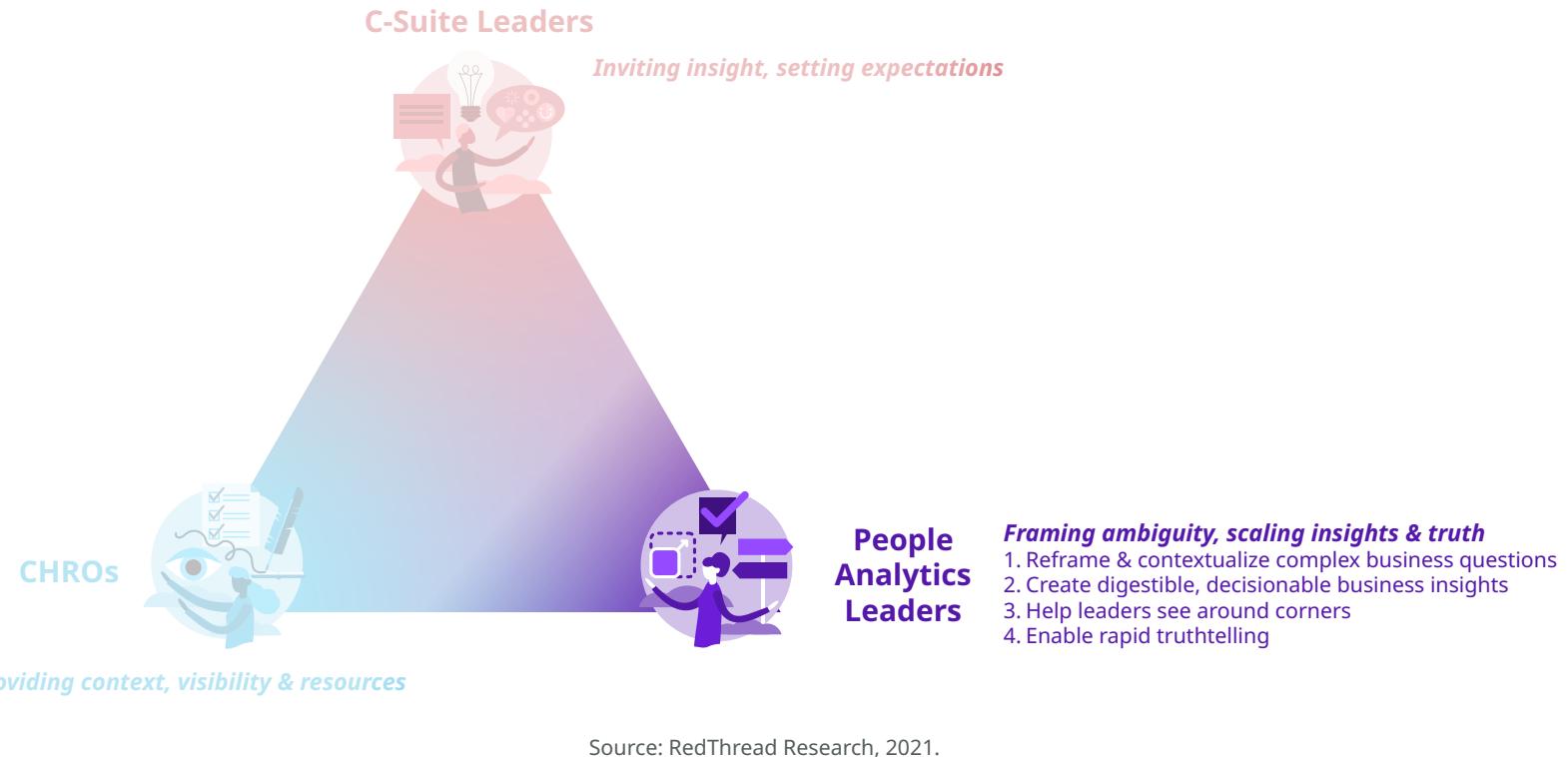
Yet, the skillset they bring to the table is the ability to frame complex situations into testable questions—which can then lead to business decisions. Since they're not deeply embedded in a specific business area, PA leaders can help C-suite leaders think through the underlying logic of an approach and then figure out the information needed to make the best decision.

Some of the most effective approaches that PA leaders deploy include:

- Questioning existing assumptions or beliefs
- Identifying flaws in existing logic
- Dispelling myths
- Identifying root causes
- Suggesting and testing multiple hypotheses

The idea is to provide a different perspective or framework for solving the business challenge.

Figure 6: Partnering for People Insights—Role of PA Leaders



Source: RedThread Research, 2021.

"What leaders need is a decision framework or a decision-enabling tool, and that's where people analytics becomes very valuable."

—RJ Milnor, Global Head of People Analytics and Chief Data Officer for People, Uber

Real-World Threads

Saving tens of millions by questioning the value of sign-on bonuses

C-suite responsibilities | CHRO responsibilities | **PA team's responsibilities**

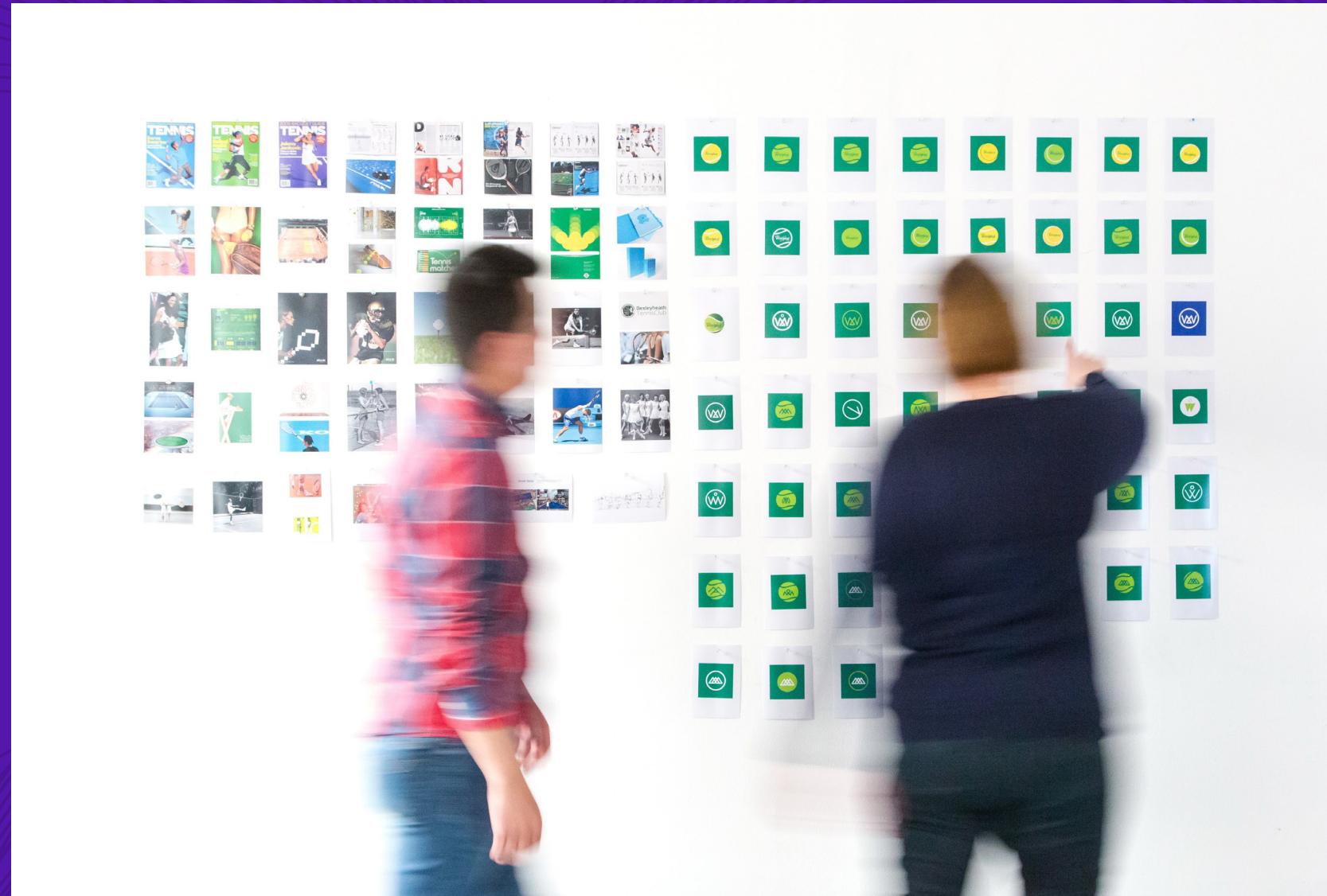
The PA team at a large technology company plays a highly consultative role when it comes to working with the C-suite.

Using a decentralized model, the company has dedicated teams or “pods” for each business area—working as partners with a deep level of data expertise. The pods help guide the business leaders by connecting PA insights to business strategy and needs, researching and clarifying important decisions, and translating people data as needed.

This approach was particularly helpful when the company found itself competing for early-career technical talent in a very hot job market. The compensation team was considering giving out sign-on bonuses to convince these people to join—and stay with—the company. The bonuses would account for tens of millions of spending per year.

The PA team decided to find out whether the sign-on bonuses would actually make a difference. The team conducted the analysis by accounting for all other factors that might have an impact, such as the job level and offers from other companies. The team projected that sign-on bonuses would have no impact on the level of acceptance rates.

As a result of the findings, the company decided to pause the rollout. When the PA team revisited the acceptance rates a year later, they found no significant difference in the levels or negative repercussions of halting the project—thereby saving the company many millions of dollars.



PA team's responsibilities: Framing ambiguity, scaling insights & truth

C-suite responsibilities | CHRO responsibilities | PA team's responsibilities

2. Create digestible, decisionable business insights

C-suite leaders are hit with thousands of pieces of information every day. Generally speaking, the framework they use for that information is something akin to:

- Do I understand this information?
- Does this information matter?
- Do I know what to do with this information?

If the answer to any of those questions is "no," then people analytics has a problem.

To that end, we heard frequently in our interviews about the importance of creating what we call "digestible, decisionable business insights" for C-suite leaders—basically information for which C-suite leaders can quickly answer "yes" to the above 3 questions.

What does this mean in reality? A few things:

- Every presentation has clear insights
- Every insight has a suggested decision or action
- For dashboards, there's a set of relatively simple, targeted metrics that are presented to senior leaders regularly—and those leaders understand the connection to business outcomes

- Less frequently recurring insights (e.g., succession lists or diversity metrics) have the changes since the last period clearly called out
- Atypical data is very clearly put in context—especially its relationship to business strategy and outcomes

An example of how one organization is tackling this is Microsoft, in its analysis of the impact of the pandemic on working patterns—and how that impact should guide the company's decisions about returning to the office.

"Insight without outcomes is overhead."

—Piyush Mathur, VP, Global Head, Talent Management (Enterprise Functions) and Workforce Analytics, Johnson & Johnson¹¹

"Every bullet point we provide to C-suite leaders comes along with a decision to be made."

—Director, Talent Analytics, a global electronics company



Real-World Threads

Understanding how to best enable hybrid work at Microsoft¹²

The unprecedented work from home experiment of 2020 has had a massive impact on the nature of work while, at the same time, presenting a unique opportunity for organizations to understand the future of work. As organizations slowly move toward adopting hybrid work policies, they need to strategize and plan for the unexpected needs of their workforce.

In order to understand this transition better for its employees and help improve operational efficiency, in September 2021, Microsoft analyzed data describing the work patterns of its employees, both before and after Microsoft's firmwide work-from-home mandate in March 2020. The company found that the shift to remote work caused the formal business groups and informal communities within Microsoft to become less interconnected and more siloed.

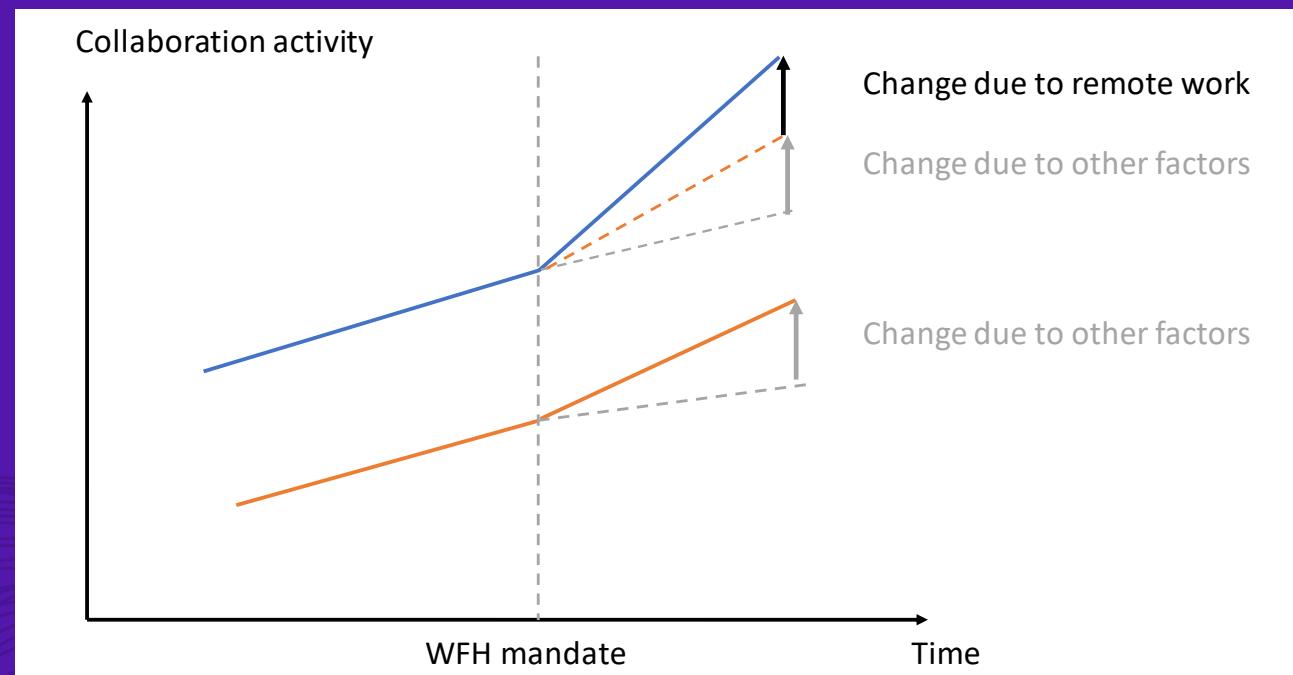
Remote work caused the share of collaboration time employees spent with cross-group connections to drop by about 25% versus that of the pre-pandemic level. Furthermore, separate groups became more intraconnected as they added more connections within themselves. The shift to remote work also caused the organizational structure at Microsoft to become less dynamic as employees added fewer new collaborators and shed fewer existing ones.

Analysis of the data revealed that the shift to remote work increased unscheduled call hours, but decreased total meetings and call hours by 5% of their pre-pandemic levels. This suggests that the increase in meetings many experienced during the pandemic was not due to remote work, but due to the pandemic and related factors (see Figure 7). Remote work also increased asynchronous communication, like emails and IMs.

C-suite responsibilities | CHRO responsibilities | **PA team's responsibilities**

These findings have been revealing as leaders grapple with designing hybrid work policies. The results suggest that, even if the company adopted work arrangements for which some employees return to the office, the effects on collaboration patterns would still be present, albeit somewhat mitigated. Leaders have to be mindful of the effects of these policies on innovation and productivity, and how they should approach them.

Figure 7: Changes to Work Behaviors at Microsoft



Source: Microsoft, 2021.

PA team's responsibilities: Framing ambiguity, scaling insights & truth

C-suite responsibilities | CHRO responsibilities | PA team's responsibilities

3. Help leaders see around corners

Another critical way PA leaders can help C-suite leaders is by serving as their radar for upcoming issues. So many times PA leaders see trends in the data—whether it's from surveys or unstructured data, such as comments in forums—well before those trends become issues brought to the attention of senior leaders.

"One of my goals as a people analytics leader is to try to anticipate what the C-suite is going to need before they realize they need it."

—People analytics leader, a global hospitality company

Interestingly, we heard from numerous PA leaders that they often do this work without any specific direction from the C-suite. For example, they might see a small trend in turnover data in one part of the company. However, when the trend is

first noticed, it may be that the organization isn't focused on that part of the business at present. PA leaders keep track of those trends, capturing additional data that allows them to share insights later.

"Sometimes I just lay down little pebbles of data—getting all the background data we need, asking additional questions to test our hypotheses. Then, when something is about to become an issue, I am prepared to help us address the problem immediately."

—Director of People Analytics, a global technology company

This work of helping senior leaders see around corners is one of the reasons why it's so important that PA leaders be involved in the critical conversations about the business. It's impossible for them to anticipate what needs the business might have in the future without that insight. Similarly, it's not possible for senior leaders to know when PA leaders can help them unless they have a sense of the value people analytics can bring—and that comes from exposure.

"We have to trust the leaders to bring us in when they think it's valuable, but that's where the issue is—they don't necessarily know. We, as PA leaders, have to teach them about the potential ways that we could be included."

—Courtney McMahon, Global People Analytics Director, Colgate-Palmolive



Real-World Threads

Helping C-suite leaders prepare for the future

The PA team at a global company in the hospitality industry stays on top of potential issues and challenges that the company might face in the future by keeping a watch on market trends and conditions. This has enabled them to be prepared to help the C-suite see around the corner and make decisions quickly.

While most companies only began thinking and seriously considering work from home for their employees around March 2020 due to COVID-19, the PA team had been having the conversation around it and doing their own tracking since December 2019.

Because of their early work on it, the PA team was able to build models very early on to understand how the pandemic was spreading. They pulled in external data from Johns Hopkins and integrated them into their data—providing applications so senior leaders could see changes in near real-time. The team also began inputting employee tracking information into their applications, so the company knew what was going on once the furloughs started taking place. The team was able to automate this information for the benefit of the C-suite.

Another example of the PA team anticipating the needs of the C-suite was around the issue of wage inflation in the marketplace. Given the market trends around it, the team was able to foresee this as an upcoming issue, and was collecting data and running analysis around it. As a result, the PA team was ready with their findings a week before the C-suite reached out to them with their questions.

C-suite responsibilities | CHRO responsibilities | **PA team's responsibilities**



PA team's responsibilities: Framing ambiguity, scaling insights & truth

C-suite responsibilities | CHRO responsibilities | PA team's responsibilities

4. Enable rapid truthtelling

Another way the people analytics team provides significant business value is by serving as an objective truthteller. They can step in to help with questions about what's happened, what's happening, or what could happen—given current trends. It's important, though, that both C-suite and CHROs respect people analytics' role in telling truth to power, though. Nothing kills a data-driven culture faster than leaders ignoring that data.

To deliver truthtelling at scale, senior leaders need to invest in PA technologies that allow for a single source of people information to be shared across the organization. This means that questions about data reliability are removed, since everyone has and uses the same data.

This also means that leaders throughout the organization can get access to information quickly—and so the people analytics team is not the bottleneck. This allows for the scaling of insights and actions.

Of course, all of this requires that the PA team collaborates with leaders throughout the organization to ensure they have easy-to-understand information (e.g., data dashboards, presentations, summaries).

In addition, to ensure that data is relevant for senior leaders, it's increasingly important that the people data be connected to business data (e.g., finance, sales, customer data) to help drive better decision-making.

"When it comes to people data, there's a fear among leaders that people analytics will reveal a lot of things about the organization that they would prefer not to be revealed."

—People Analytics Leader, a consulting company



Real-World Threads

Dispelling myths for C-suite leaders at an electronics company

In December 2020, when organizations were starting to think about calling their employees back to the office, the PA team at a large electronics company began analyzing external data on employee preferences. They also spent about 2 months with their crisis management committee to understand how different teams felt about returning to work.

The working assumption was that, while flexibility mattered, it could take the form of allowing more remote work than had been the case before the pandemic, while still requiring employees to come into the office for at least some of the time.

The PA team wasn't satisfied that this answer was good enough, though. They, therefore, created a survey to collect their own data on how important flexibility was to employees. The survey was eventually answered by tens of thousands of employees and returned more than 100,000 data points.

Analysis of the data revealed that, while flexibility was important in general, it was especially important to diverse employees. Specifically, the team found that working mothers unanimously preferred continuing to work from home.

The PA team was able to point out to the C-suite that, if they mandated a return to office policy—even if they required employees to return to the office for just 1 day per week—then they risked losing up to one-third of their female workforce by the middle of 2021.

That level of insight was put into action by the C-suite immediately. Two days after the PA team's presentation,

C-suite responsibilities | CHRO responsibilities | **PA team's responsibilities**

the C-suite released an email introducing flexible work arrangements through which employees are allowed to figure out the most suitable arrangements directly with their managers.



Dos & don'ts: People analytics

C-suite responsibilities | CHRO responsibilities | PA team's responsibilities

Finally, we've pulled together a "Dos" and "Don'ts" list for the PA team.

	DOS	DON'TS
Reframe and contextualize complex business questions	<ul style="list-style-type: none">✓ Spend the time to think through what you're trying to measure and connect it to the business problem✓ Make sure to look at the full picture by bringing in additional data sources (e.g., financial, operational, etc.)✓ Understand both the business context and existing data insights well enough to add value to C-suite conversations without prep	<ul style="list-style-type: none">✗ Provide data and insights without any follow-up actions or recommendations✗ Work in a silo and overlook other data sources
Create digestible, decisionable business insights	<ul style="list-style-type: none">✓ Keep the findings and insights simple when sharing them with the C-suite✓ Provide potential decisions for every significant data-based insight	<ul style="list-style-type: none">✗ Get bogged down with the details when sharing insights with the C-suite
Help leaders see around corners	<ul style="list-style-type: none">✓ Be on the lookout for potential issues and areas of concern on the horizon✓ Be your own advocate and help leaders see where PA can add value by understanding the business and C-suite strategy✓ Reserve time to do proactive analysis on potential issues	<ul style="list-style-type: none">✗ Wait for the C-suite to come to people analytics with problems, instead of identifying them proactively for the leaders
Enable rapid truthtelling	<ul style="list-style-type: none">✓ Set expectations by being clear on what PA will and won't do✓ Make data accessible through technology that provides appropriate insights to all levels of managers and employees✓ Support the data literacy upskilling for HR, leaders, and employees	<ul style="list-style-type: none">✗ Commit to every task and project brought to the table✗ Limit the work to providing dashboard and self-service tools for leadership

Looking forward to additional superpowers

As we heard in our interviews, organizations are just on the cusp of what they'll be able to do with people analytics. We expect a revolution in terms of capabilities similar to what digital marketing went through about 10 years ago.

This change, though, won't happen without C-suite leaders inviting in PA leaders and setting expectations of a different level of insights. Similarly, CHROs need to provide C-suite leaders with context, visibility, and the underlying resources (team and technology) to deliver those insights. Finally, PA leaders need to prove their value to C-suite leaders by framing ambiguity—so as to drive better decision-making, and scaling insights and truth across the organization. With these 3 groups working together, organizations can realize significant insights and value.

As we look to the future, we expect to see at least 3 major changes:

- Basic reporting will become increasingly automated
- Predictive capabilities will become much more sophisticated
- People and business data and analytics will be much more integrated

Through these changes, people analytics will be able to help leaders prepare for business challenges they don't even know are coming and make better decisions about crises on their doorsteps.

To meet this future, C-suite, CHRO, and PA leaders need to unlock the power of people analytics today in order to be ready for the capabilities of the future. The next level of superpower will be transformational—and all leaders should be prepared to use it for the good of their businesses and their people.

Figure 8: Partnering for People Insights—Roles for C-Suite, CHROs & PA Leaders



Source: RedThread Research, 2021.

Endnotes

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