PEOPLE ANALYTICS AND THE FUTURE OF WORK

Deloitte ran a country-wide survey into people data in Switzerland earlier this year. CEMS sat down with Deloitte's Veronica Melian and Tiina Pokkinen to discuss what they found, and their views on a post-Covid future of work

You conducted a People Analytics survey in 2020. Who did you talk to and what did you ask them?

People analytics has been a top priority for companies for many years. Yet companies still seem to be struggling to realise the potential and benefits it can offer. Organisations in the US seem to be ahead of the game. We wanted to conduct a study to gain detailed insights about the use of people data, as well as the maturity of HR reporting and people nalytics specifically in the Swiss market, to understand how we can best support our clients in their challenges when it comes to their people analytics journey.

We invited HR executives, HR professionals and people analytics experts as well as business and finance representatives across all industries and sizes of organisations to participate in the survey.

Firstly, to set the scene, we asked questions around people analytics maturity and key success criteria and challenges. Secondly, we asked specific questions on workforce planning and skills management in the context of the future of work, engagement and equality analytics in the context of employee attractiveness and diversity – as well as on HR intralytics on how to leverage people data to improve HR functions impact and efficiency.
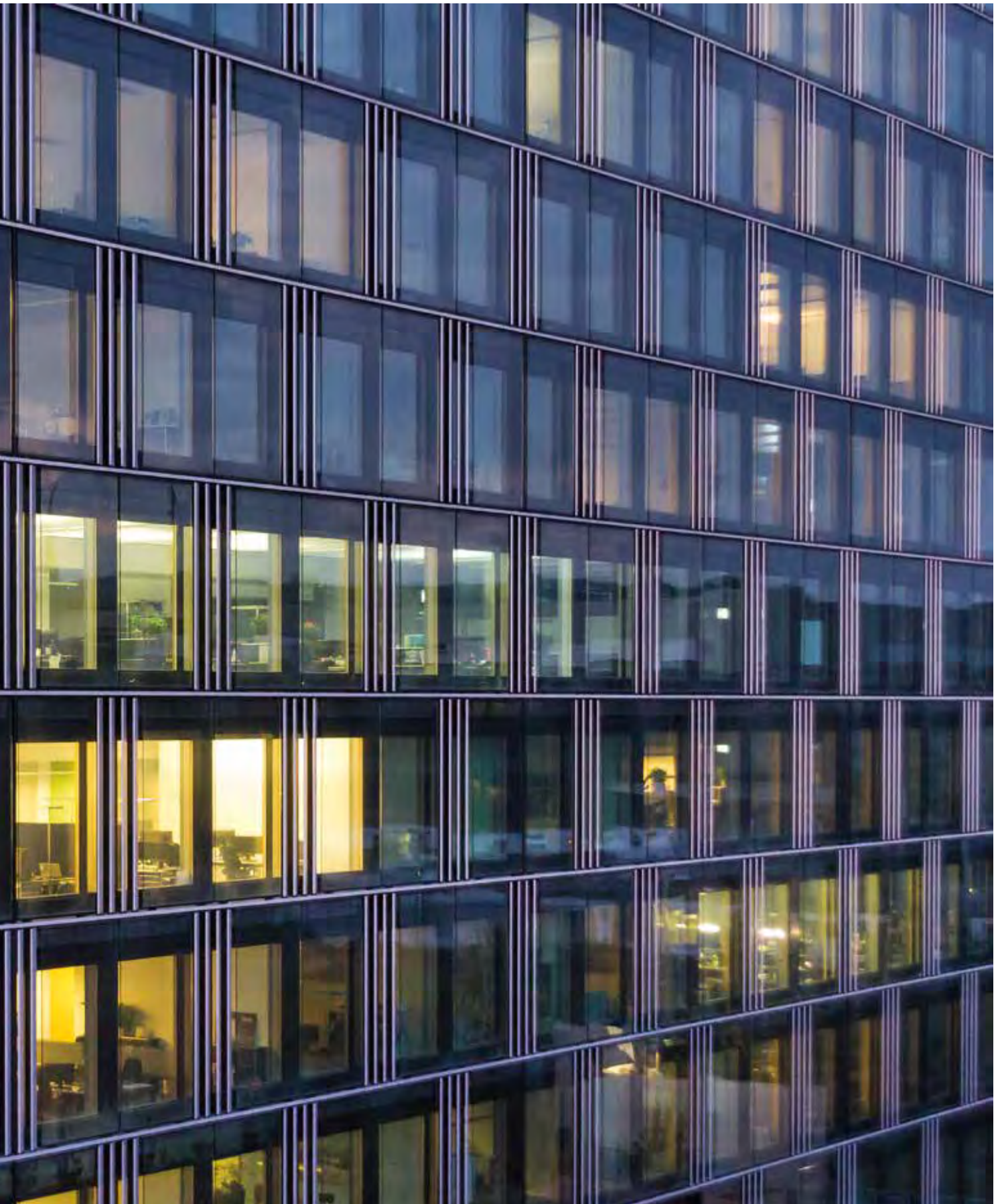
Why is people analytics becoming more important over time? And how do organisations and employees benefit?

For most organisations, employees are the most crucial part of the business and a source of competitive advantage. People-related decisions need to be 'right' and based on solid facts, rather than a gut feeling. The use of people analytics can improve problem-solving and decision making through sound measurement and systematic data analysis. With the insights of HR and business data, you can collectively design more targeted initiatives and interventions, measure the impact and refine if needed. Employees, on the other hand, benefit from these more targeted initiatives in areas such as learning and development, employee engagement and well-being.

What were your findings?

First, the study confirmed the importance of people analytics. Some 82% of the organisations that participated consider people analytics as important or very important and expect its importance to grow in the next two to five years. This reflects the way organisation are currently using people data: most organisations in Switzerland either rely on reactive operational reporting or proactive advanced reporting of workforce data. They aspire though to move towards predictive analytics in the next few years.

Almost all participating organisations expressed their ambition to use people data for business and HR decisions. Many plan to move from an operational to a more strategic and skills-based approach in workforce planning, given the increasing need to understand how the work and the required workforce will change in the coming years. Further, to become a strategic

partner to the business, many HR teams plan to engage increasingly with functions outside HR and share proactively insights from people data.

However, looking at organisations' current people analytics maturity, in reality, the journey has only just begun. Manual effort is required to collect data, and poor data quality is a considerable roadblock in the development of people analytics. The analysis can only be as good as the underlying data, which is why obtaining timely, consistent, connected and accurate people data – in line with ethical guidelines and data privacy standards – should be a priority for organisations. But this is only half of the equation: another major obstacle appears to be the lack of relevant skills in HR – data literacy and storytelling for instance – as well as the right executive support within the organisation.

What are the implications of these findings for organisations?

For many organisations, the first step in starting their people analytics journey is to realise the importance and the potential of people data. Based on our experience, a recommendable first step is finding a sponsor at the executive level and defining a use-case to demonstrate the power of people analytics. Once the key stakeholders are convinced, it is then time to invest in building solid data sources, the right expertise and data-driven culture in HR to start delivering more insights to the business and HR, and to enable databased decision-making.

The current COVID-19 crisis may accelerate the people analytics journey as it has increased the need for easy access to insightful and future-oriented people data – particularly the insights on skills of the workforce, the state of workers' physical and mental well-being and an assessment of how well the organisation's culture is faring, are being of increasing importance.

PHOTO TOP & ABOVE:
Tiina Pokkinen, Senior Manager, Human Capital Consulting, Deloitte Switzerland
Veronica Melian, Partner and Human Capital Consulting Leader, Deloitte Switzerland

What role does People and Workforce Analytics play in the context of the future of work?

At Deloitte, we split the future of work into three dimensions to make it easier to understand: Work, Workforce and Workplace. This breaks down like this:

Work: What is being done and to what extent we can leverage automation with the main question being: what work can be done by machines?

Workforce: Who can do the work and can we consider talent alternatives to the regular workforce?

Where: Where can the work take place?

People analytics can help create the right insights to better understand the potential disruption in these three dimensions, to plan and proactively take the right actions to have the right workforce in place to deliver on the business strategy and customer expectations

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How has the Covid-19 crisis affected the way that we work? What are the challenges? And are there any opportunities?

According to the International Labor Organization, an estimated 4 out of 5 workers in the global workforce have been affected by lockdown and stay-at-home measures because of the pandemic. In this context, the priority for most organisations has been responding to the crisis, emphasising the health and safety of employees and the virtualisation of work to ensure the continuity of essential operations.

The COVID-19 crisis has accelerated the development of future of work. It presents an excellent opportunity for organisations to bring humans and technology together - the changes we would have expected to take years if not decades have now happened within the span of a few weeks. In particular, we have seen a rapid shift to remote work and education enabled through technology as well as new levels of leveraging ecosystems.

The main challenges we see in particular on two dimensions. First, working remotely under these circumstances means we all have to adapt to a new environment and technologies, battling a new set of distractions as well as experiencing an unprecedented fusion of work and private life. While trying to adapt, the connection to the organisation and the team might get a little lost – so too might a sense of belonging. Second, most businesses are strongly impacted by the current crisis. Some businesses are facing a significant downturn and are trying to protect their existence by downsizing their business or reinventing themselves, while others may be experiencing acceleration. Planning and adapting the workforce in a flexible manner to the changing needs is challenging, but critical especially in the VUCA (volatility, uncertainty, complexity, and ambiguity) world we are living in.

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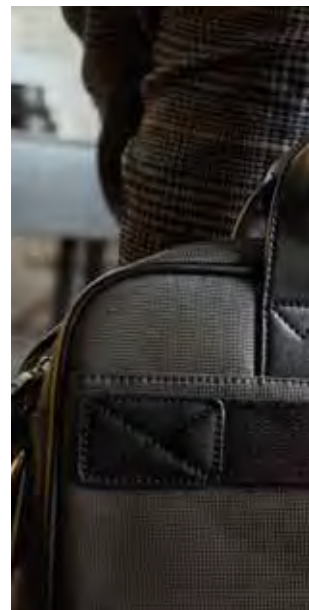
How has COVID-19 affected different industries, roles and geographies?

There are obviously some differences between industries, roles and geographies in terms of the extent of the impact. However, most industries are facing similar situations: the need to accelerate the virtualisation of the work to enable remote working; resilient leadership to navigate through the uncertain times; flexibility around resourcing/workforce to respond the changes in customer demand; and more focus on well-being to ensure employees stay safe and healthy.

In the longer term, what are the trends and patterns that you can see reshaping the way that we work and the kind of work that we do?

Even before, and increasingly during the crisis, some organisations began to look at where digital technologies, automation and AI, could make work safer, faster, better and more innovative. We expect this trend to continue or even accelerate as organisations continue to rethink and redesign their work priorities and opportunities. Overall, we believe that organisations now have the opportunity to move from seeing technology as a substitution to humans to seeing technology as an augmentation or collaboration strategy that can significantly change the nature of work. This can allow organisations to create not only efficiencies but also value, and ultimately provide work that is more meaningful to the workforce.

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