



peplematters |  darwinbox

EVOLUTION OF PEOPLE ANALYTICS IN 2020-21

A RESEARCH BY PEOPLE MATTERS AND DARWINBOX | 2020-21



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FOREWORD

When the financial crisis rocked the business world in 2007–09, boardrooms turned to corporate finance chiefs. A good CFO could save a company; a bad one could bury it. The COVID-19 pandemic presents a different challenge— people and highlights the role of HR.

Right from managing a remote workforce, ensuring productivity and upskilling, creating a digital feedback mechanism, to getting infrastructure available and ready post pandemic – Never before have organizations needed a more hard-headed HR team.

The outbreak of the COVID-19 pandemic – more than ever – requires companies and leaders to express empathy and compassion for the human side of the crisis. Employees find it critically important for a CEO to respond to challenging times and crises. That means, stepping up and helping people manage their fears and thrive as best as they can. While empathy, compassion, and resilience have emerged as critical people skills in times of uncertainty, forward-thinking HR leaders would need more than just traits to manage talent in these

unprecedented times. They would need to ask the right questions about business impact and get on-the-spot answers. The compelling need to flatten the curve will get every leader to acknowledge the power of data in a crisis.

The current COVID-19 cataclysm has put the world of work as we know it in a state of continuous evolution, forcing organisations and leaders to adapt to these changes at a phenomenal pace. In such a scenario, where enterprise leaders find themselves in the cockpit for driving change, data is the guiding compass that can provide them with the critical insights they need to navigate the new normal. They would need to ask the right questions about business impact and automatically get on-the-spot answers. The compelling need to flatten the curve will get every leader to acknowledge would come from acknowledging the power of data in a crisis.



In this People Matters and Darwinbox research, Evolution of People Analytics in 2021, we illustrate the precedence that People Analytics can bring to talent management, especially during the times of crisis. The research further delves deeper into the different phases of People Analytics and intends to help HR professionals and business leaders navigate each stage of the talent management function with the right application of People Analytics.

Leading organizations are investing more in this space, and the interest in People Analytics is accelerating. Sharing of experience, good practices, and what can be used in scalable cost-effective ways is something we want to help with. This report sheds light on opportunities for People Analytics to further develop and embed into the HR profession. And, by looking across to our colleagues in other areas of business, we can see the exciting role people data can play in helping organizations understand their people better and help them realize their full potential.



ESTER MARTINEZ
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Co-founder,
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EXECUTIVE SUMMARY

Analytics can dramatically improve the way organizations identify, attract, develop, and retain talent.

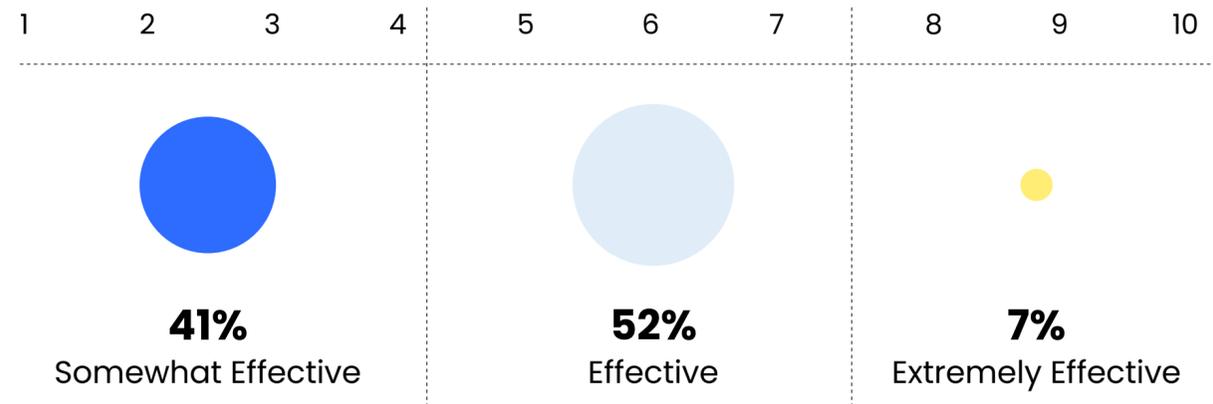
This is not coming from our instinct, but from analyzing the quantitative and qualitative data collected from 126 Indian organizations across industries. India Inc. has acknowledged that advanced analytics can help achieve the following business goals:

- Business Profitability: **65%**
- Customer Value: **64%**
- Business productivity: **63%**

However, one of the major and critical findings from this research is, while Asian organizations have acknowledged the importance of People Analytics in driving business, only 7% of organisations believe they have fully achieved their People Analytics vision.

How far have you come in achieving your People Analytics vision for your company?

Rate on a scale of (1-10; 10 being you have achieved 100% of your vision)





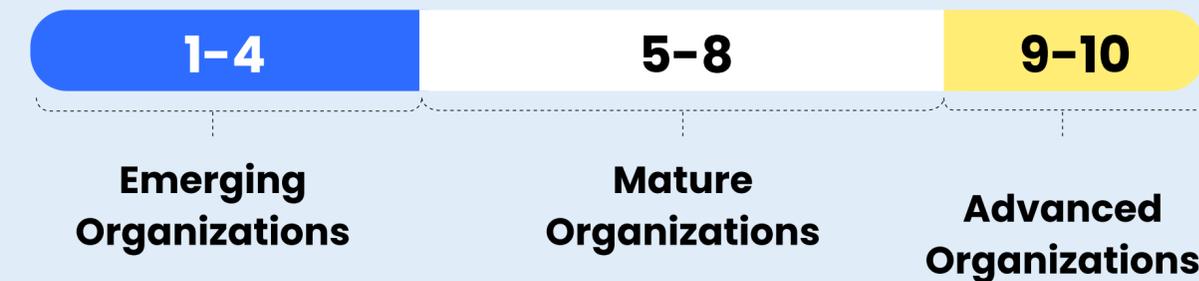
Research suggests that most organizations are still far from realizing the true power of the advanced capabilities that People Analytics can offer; **but why is that?**

This report draws on data from a comprehensive survey of 126 organizations, across a range of industries to evaluate what determines the market maturity for People Analytics and the value gained from leveraging the technology.

This report will also cover a section on how People Analytics can accelerate organizations' response to the COVID-19 crisis, through various qualitative responses conducted through extensive interviews with leaders in analytics and talent management functions. This report will further offer an in-depth analysis of organizations with mature People Analytics practices and compares the characteristics of these organizations with those organizations that are just beginning their journey to maturity which we call "emerging"

organizations.

Scale & Index



The survey also found that by adopting a range of People Analytics solutions and using more data sources, advanced organizations are able to conduct more sophisticated analytics. By extending usage to multiple stakeholders within the organization, advanced organizations have the opportunity to achieve greater value.

This research further shows the step-by-step process to fill in the gaps of your People Analytics practice, right from measuring the right metrics to building a dedicated People Analytics team.

At the end of the findings, we have also included some case studies and expert views on how one can move up from the Descriptive to Prescriptive level of People Analytics.

Happy Reading!



KEY FINDINGS

95% PERCENT ORGANIZATIONS SAY PEOPLE ANALYTICS IS CRITICAL FOR THEM

Almost about 60 percent of all respondents report their level of maturity as 'effective' or 'extremely effective' with the remainder reporting their maturity as being 'somewhat effective'.

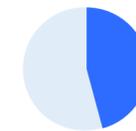
95 percent of respondents shared that People Analytics is critical for their organizations; however, on comparing the maturity level in adopting People Analytics and achieving business vision through People Analytics, we can see a visible gap. While 52 percent feel that they have been effective in achieving their vision for people analytics, only a few have been able to realize the vision.



"7% believe they have come closer to achieving their vision of people analytics."

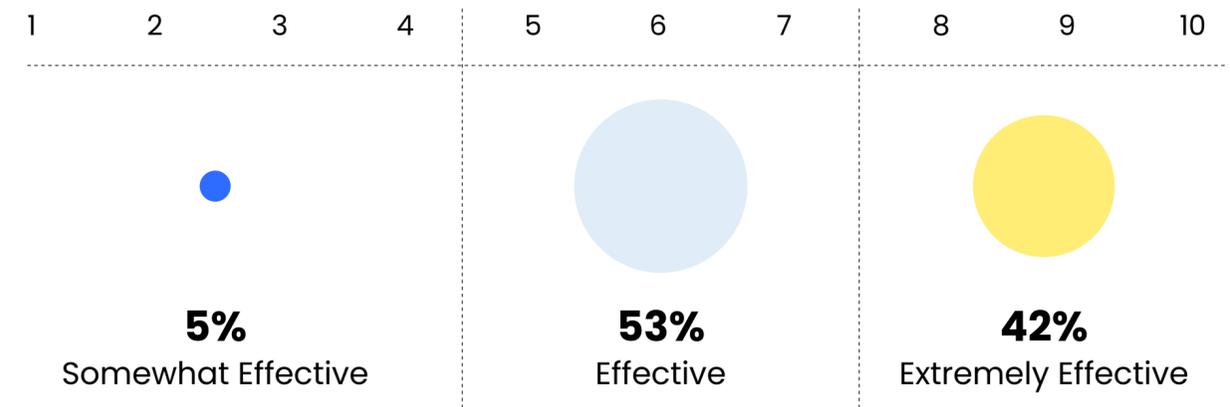
On further studying the maturity level of the participating organizations, we found that, while there is a high level of awareness about the positive ROI of People Analytics, there is a need to accelerate efforts.

While 45 percent of organisations are able to analyze their data to find key metrics, there is still a long way to go for organisations to develop systems that can leverage PA data to make predictions or prescribe changes for the organization.



"Significant half (45%) are only at stage 1 of the maturity curve"

How critical do you think People Analytics is for your organization?
(1-10; 10 being the most critical)

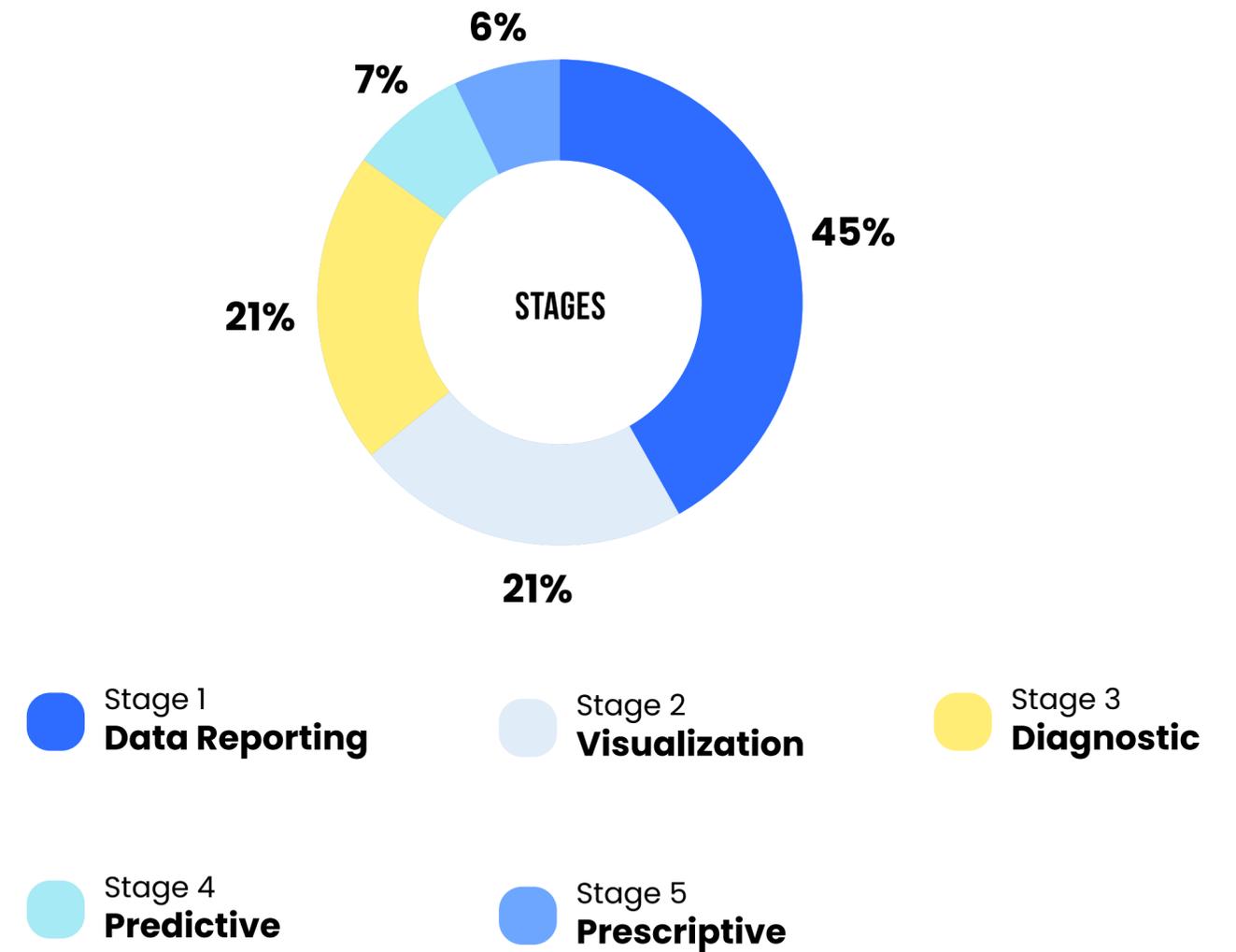


How far have you come in achieving your People Analytics vision for your company?

Rate on a scale of 1-10 (10 being, you have achieved 100% of your vision)



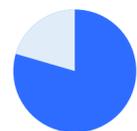
Where do you place yourself on the People Analytics Maturity Curve?



76% OF ORGANIZATIONS THINK PEOPLE ANALYTICS IS A MUST HAVE INVESTMENT IN 2021

To understand how India Inc. leverages People Analytics, and where organizations stand at the maturity curve, we looked not only at process maturity, but also at People Analytics approaches, the role of data in decision-making, and where an organization stands on its journey to value.

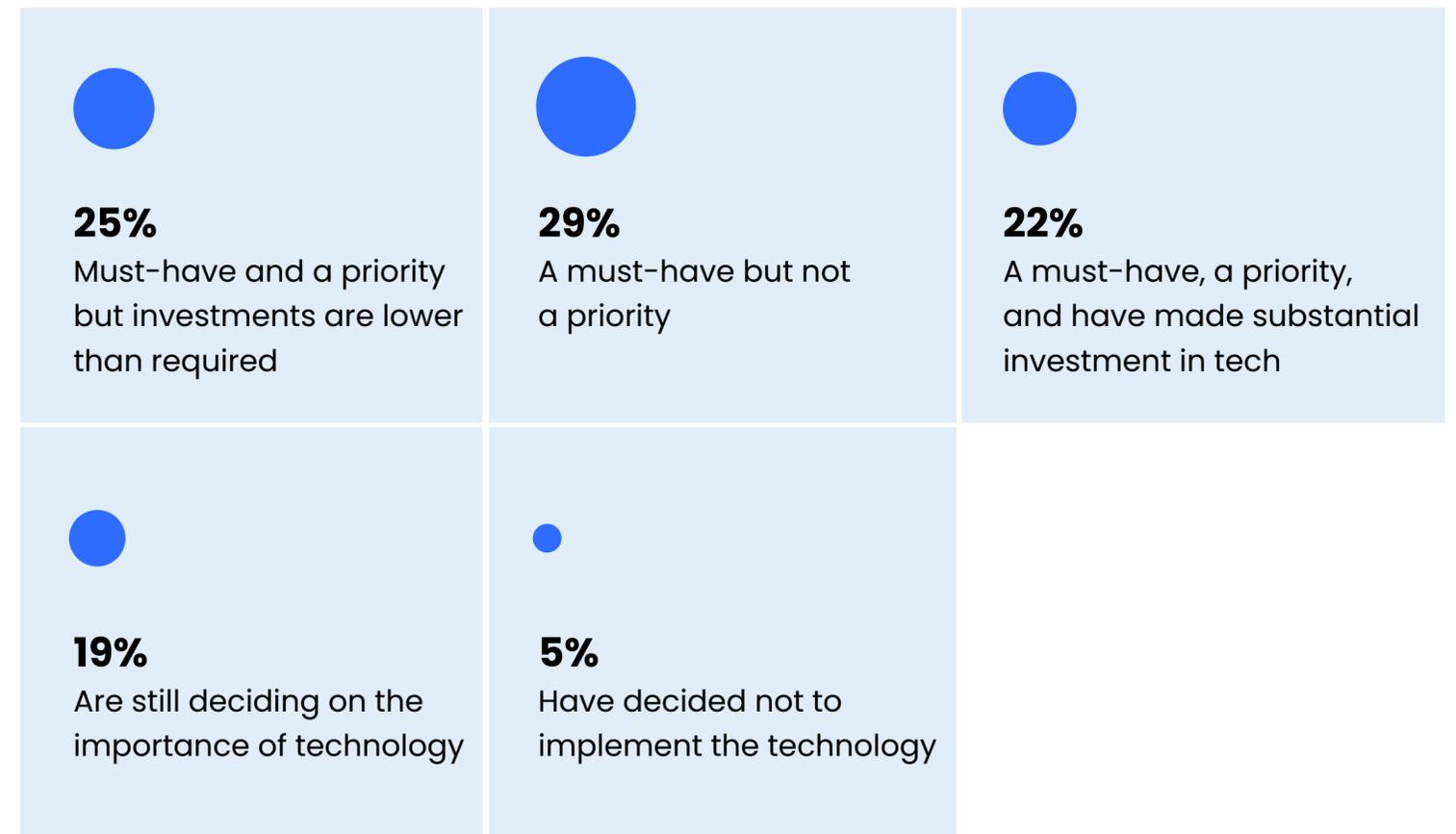
As mentioned earlier, while organizations understand the importance of People Analytics in achieving business goals, there is a lack of urgency in adopting and accelerating the efforts. And among the leading factors while analyzing the responses was the 'leadership mindset' in investing in People Analytics.



76% of organisations think PA is a must have investment in 2021.

How does your leadership see investment in People Analytics technology?

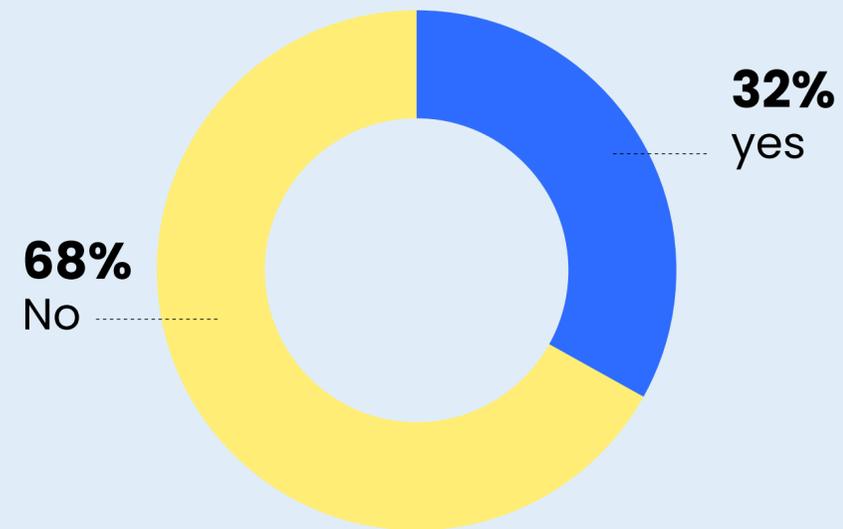
Funnelling down on how People Analytics is being leveraged in an organization, we started with studying the People Analytics team and found.





68% of the participating organizations do not have a dedicated person or a team to lead People Analytics as a function.

Do you have a person or team that is dedicated to People Analytics?

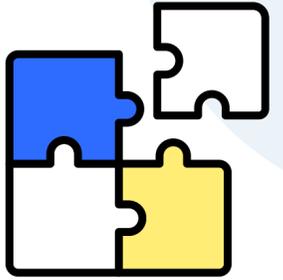


40% organizations have CEOs, CXOs and CHROs consuming People Analytics /Data for Business decisions.

Which of the following user types utilize People Analytics in your organization currently? (Pick one or more)

DEPARTMENT	(%)
People Analytics Specialist	20%
HR Team	84%
IT Team	16%
CHRO	40%
Executives (CEO / CXO)	40%
People Managers/Line Managers	29%
Board Members	18%
Nobody as of now	3%

TROUBLE PIECING THE PUZZLE TOGETHER – THE LACK OF INTEGRATED SOURCES OF DATA AND DEDICATED TALENT

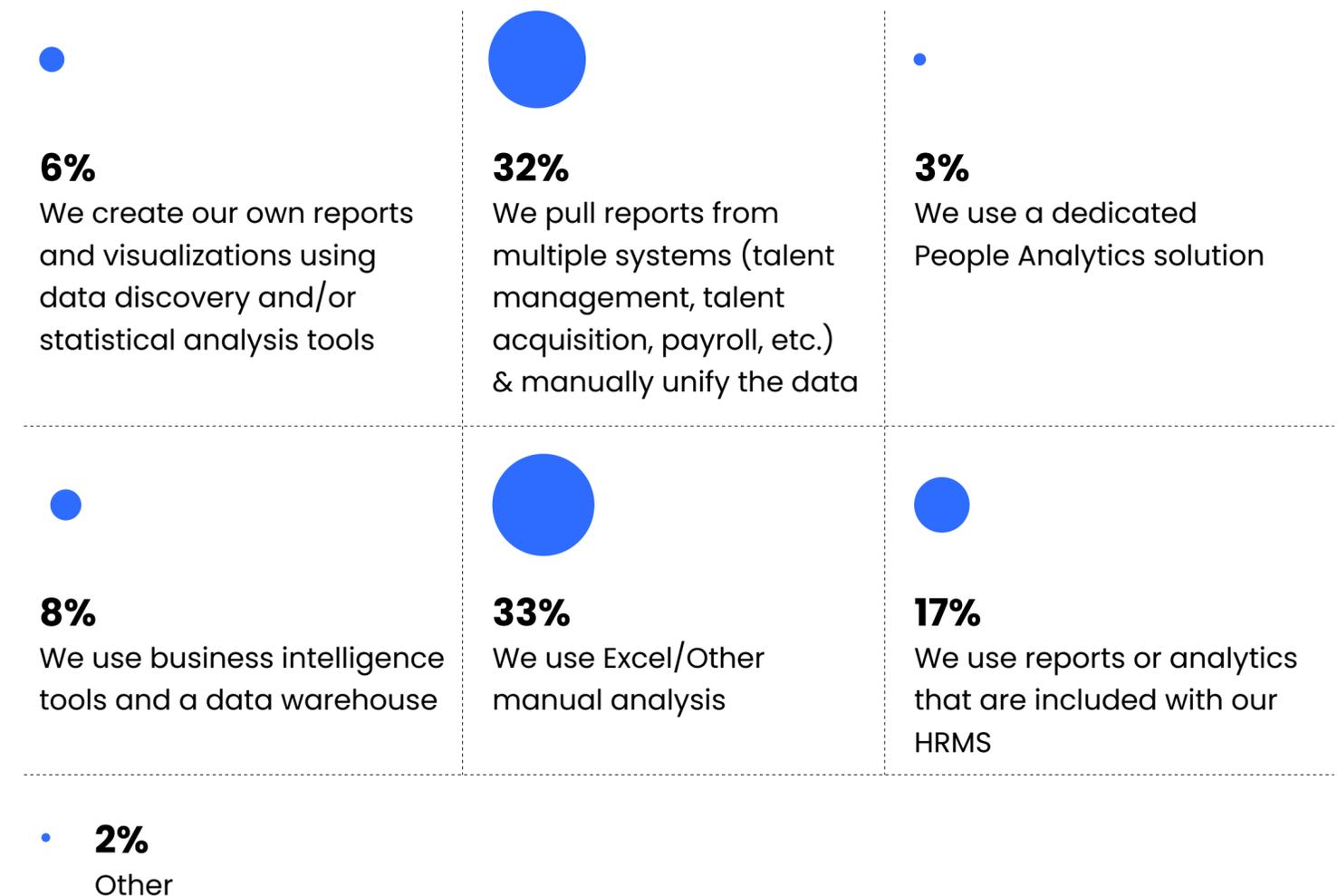


One of the reasons why organizations haven't been able to succeed on their People Analytics' vision is the manual analysis of data. While looking at the responses from the participants, we found that Excel (33 percent) is still a slightly more frequently used People Analytics approach. Another 32 percent organizations are pulling data from multiple systems and manually unifying the data.

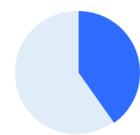
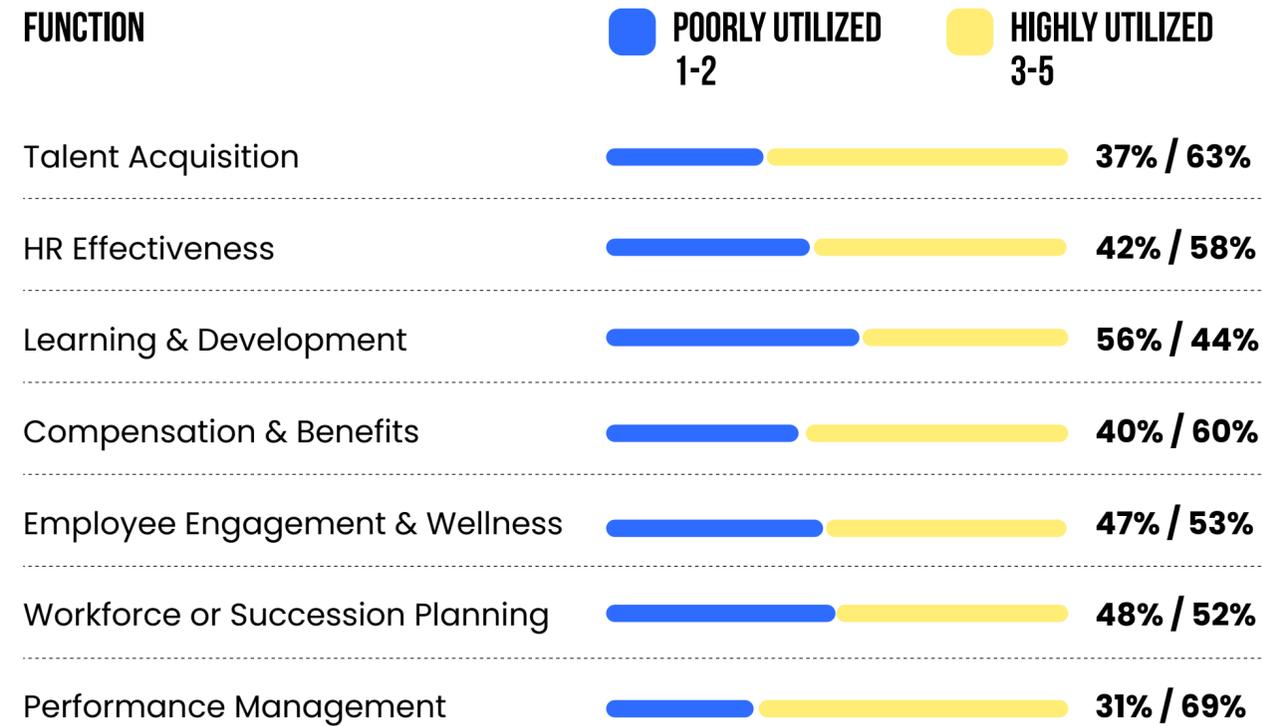
Bifurcating this data according to employee size, we also found:

27% enterprises are manually analysing their people data while a significant **33%** are struggling to consolidate data from distributed systems.

What People Analytics solutions are you currently using?



How strongly have you leveraged People Analytics in the following function(s)?

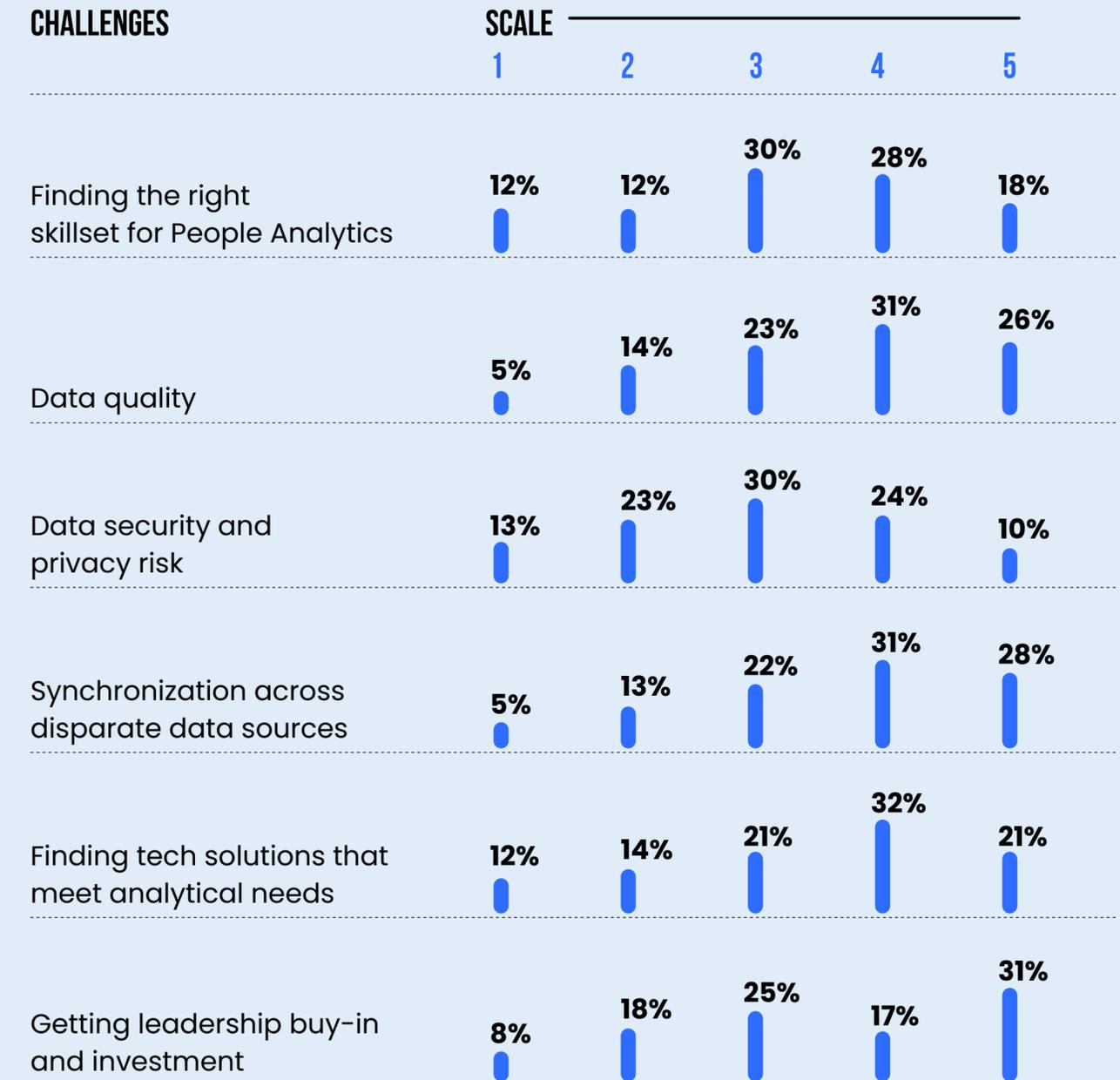


Almost 40% of organisations feel the biggest and most challenging aspect is the synchronization of data from disjointed systems

Some of the challenges organizations are facing due to lack of integrated technology is tracking business metrics like Productivity, Employer branding, Cost & Profitability, and Talent Retention. With effective People Analytics technology and strategy, organizations, in the next two years can see an improvement of 80 percent in tracking these business metrics.

What are the challenges you are facing with People Analytics? Rate them on a scale of 1-5.

(5 being the most challenging)



IMAGINING NEW USES FOR DATA TO DRIVE BUSINESS RESULTS

Delving deeper into the application of People Analytics in the HR function, we found that most of the organizations are tracking data and insights manually.

“HR Teams would need tools and technologies to provide deep new insights to drive performance.”

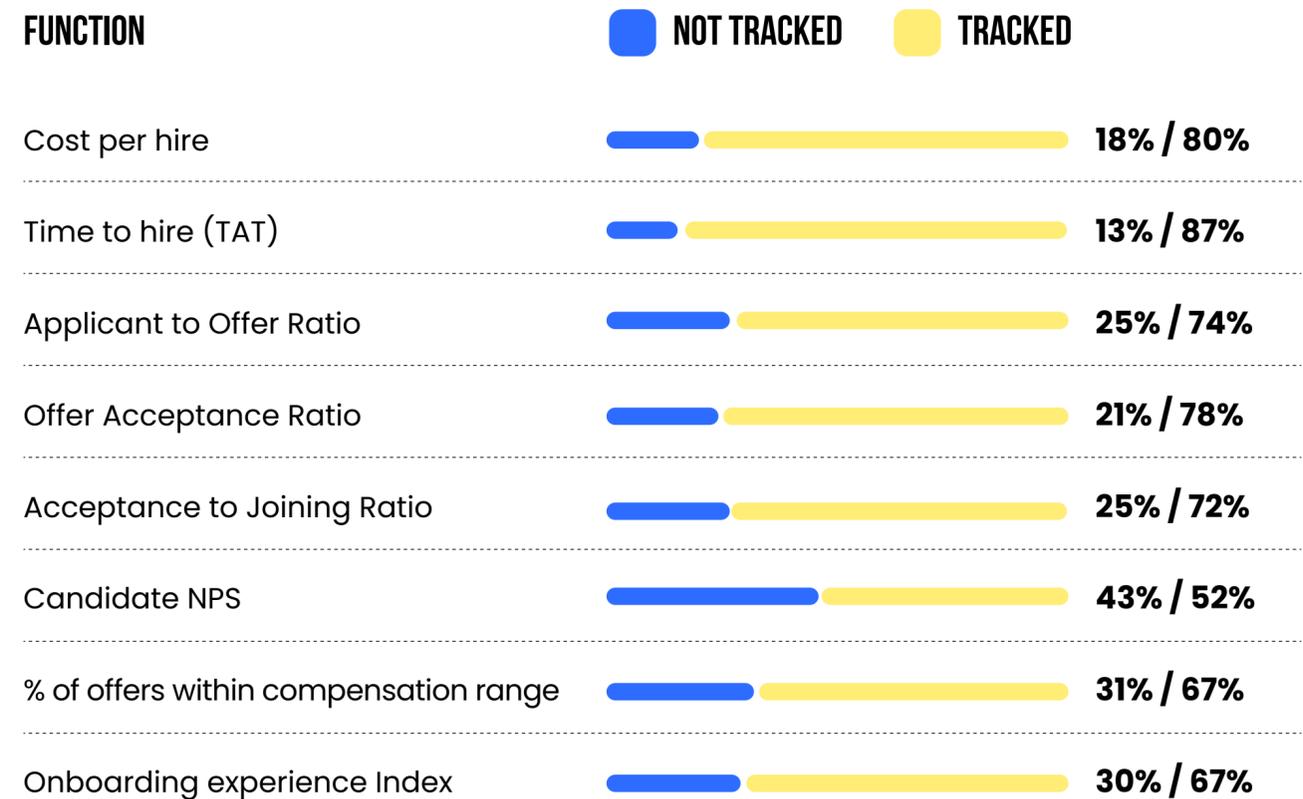
Currently, organizations have a pretty strong stance when it comes to measuring performance of each function and have defined various metrics to benchmark effectiveness of the HR function. However, one of the reasons why organizations are not being able to move from a ‘descriptive’ to ‘prescriptive’ stage of People Analytics is the lack of more sophisticated tools to keep track of the metrics.

Majorly, metrics defined for each function are being tracked manually with only seven percent organizations, on an average, adopting a fully-automated dashboard for tracking metrics.

Here is a look:

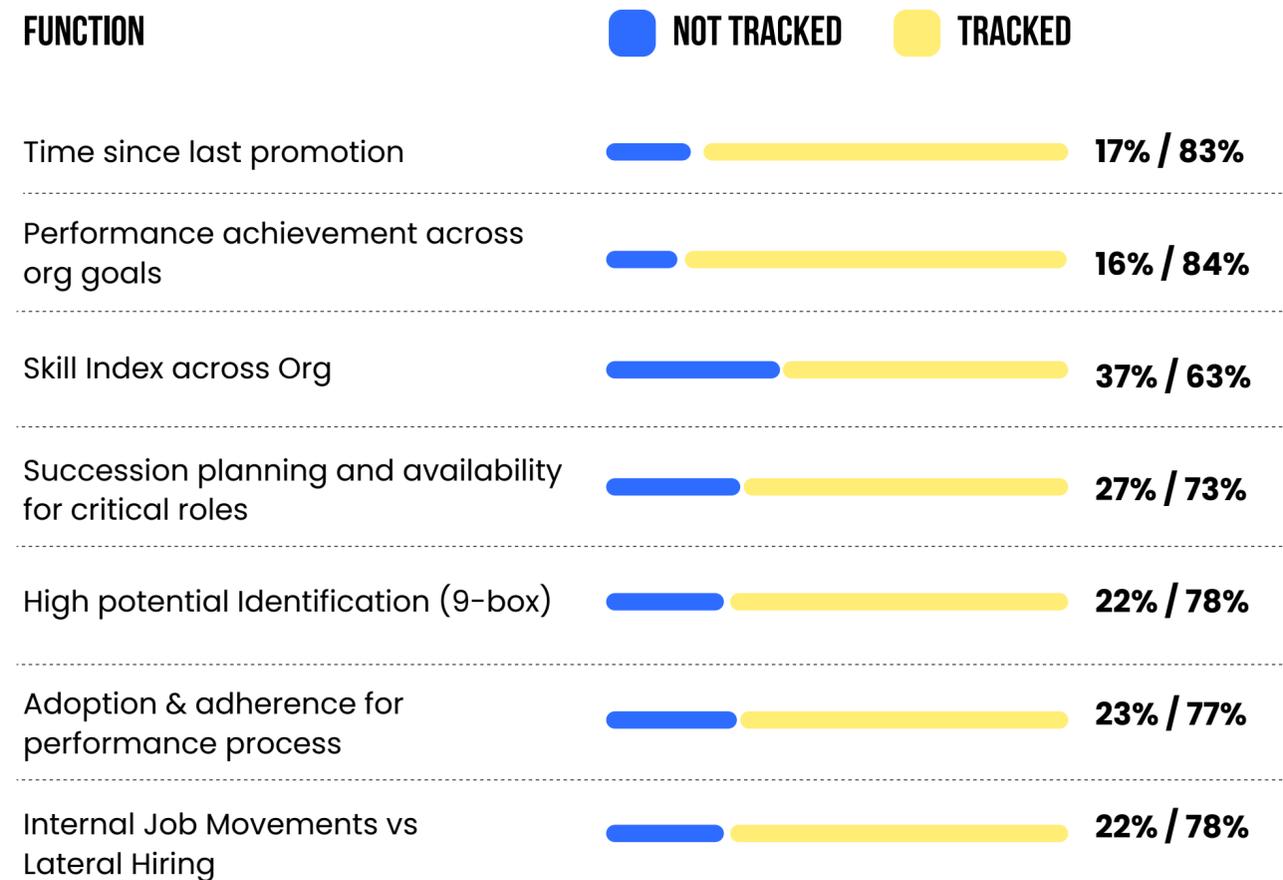
a. Recruitment

Cost (per hire), Efficiency (TAT) and Conversion (offer acceptance) are the most tracked metrics within Recruitment. With increasing concern for candidate experience organizations will need to capture candidate NPS.



b. Talent Management

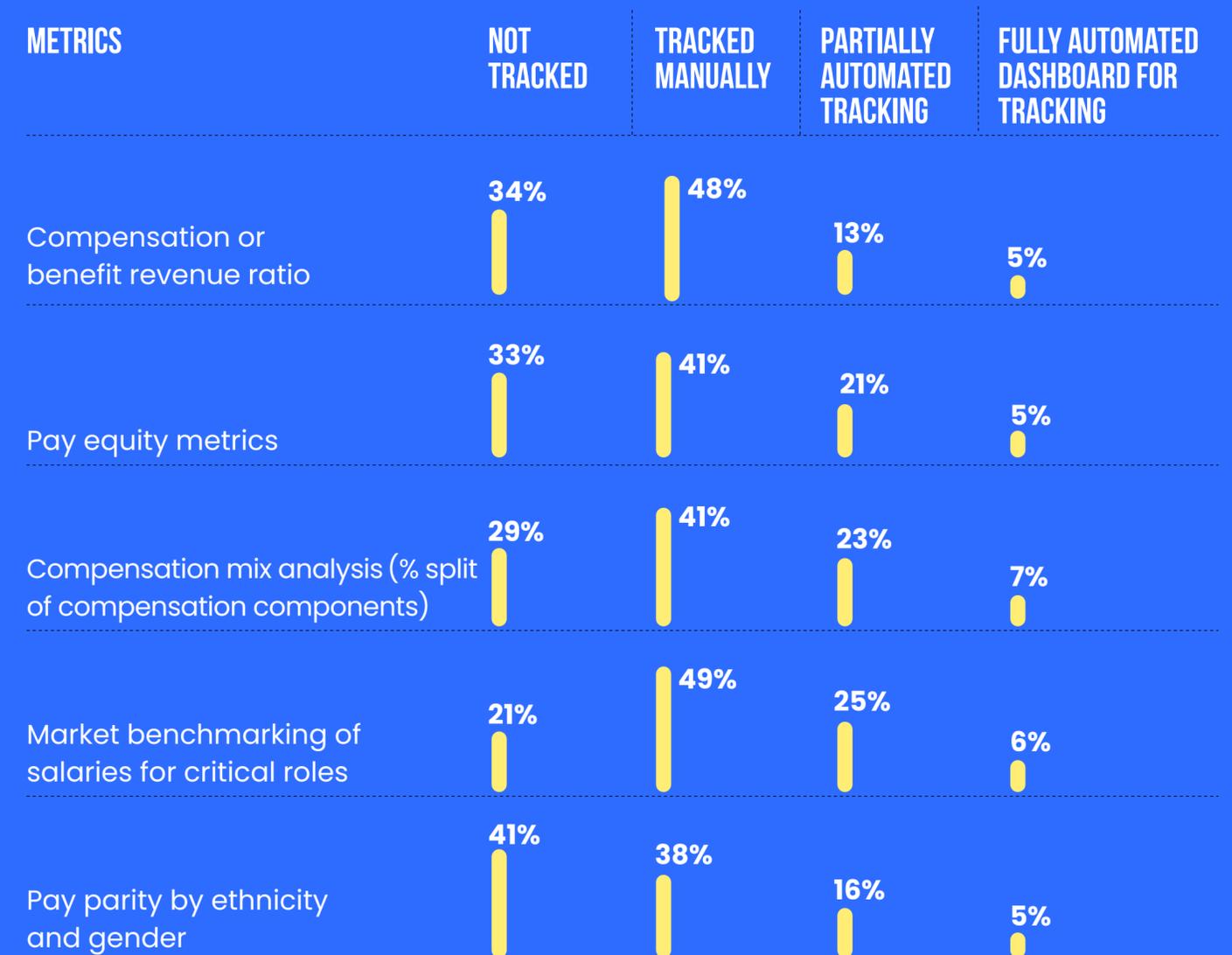
Organization-wide performance achievement is the most critical and commonly analyzed performance metric (84% track this manually or automated). However, organizations haven't identified ways to quantify skills proficiency across the organization.



c. Compensation & Benefits

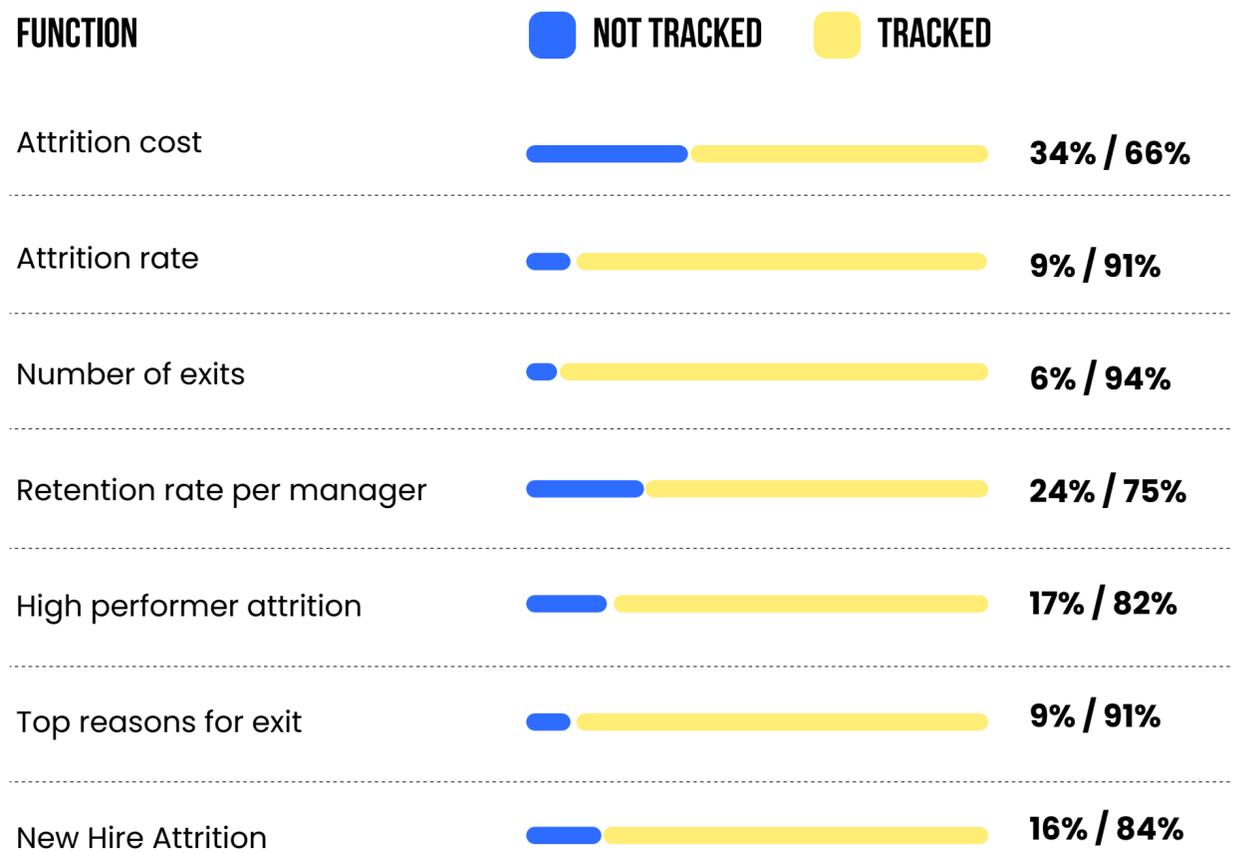
Comp & Ben metrics such as pay equity, compensation mix analysis and market benchmarking tracking have already been partially automated, by ~25% of organisations.

How are you tracking these Compensation and Benefits metrics currently?



d. Employee Turnover

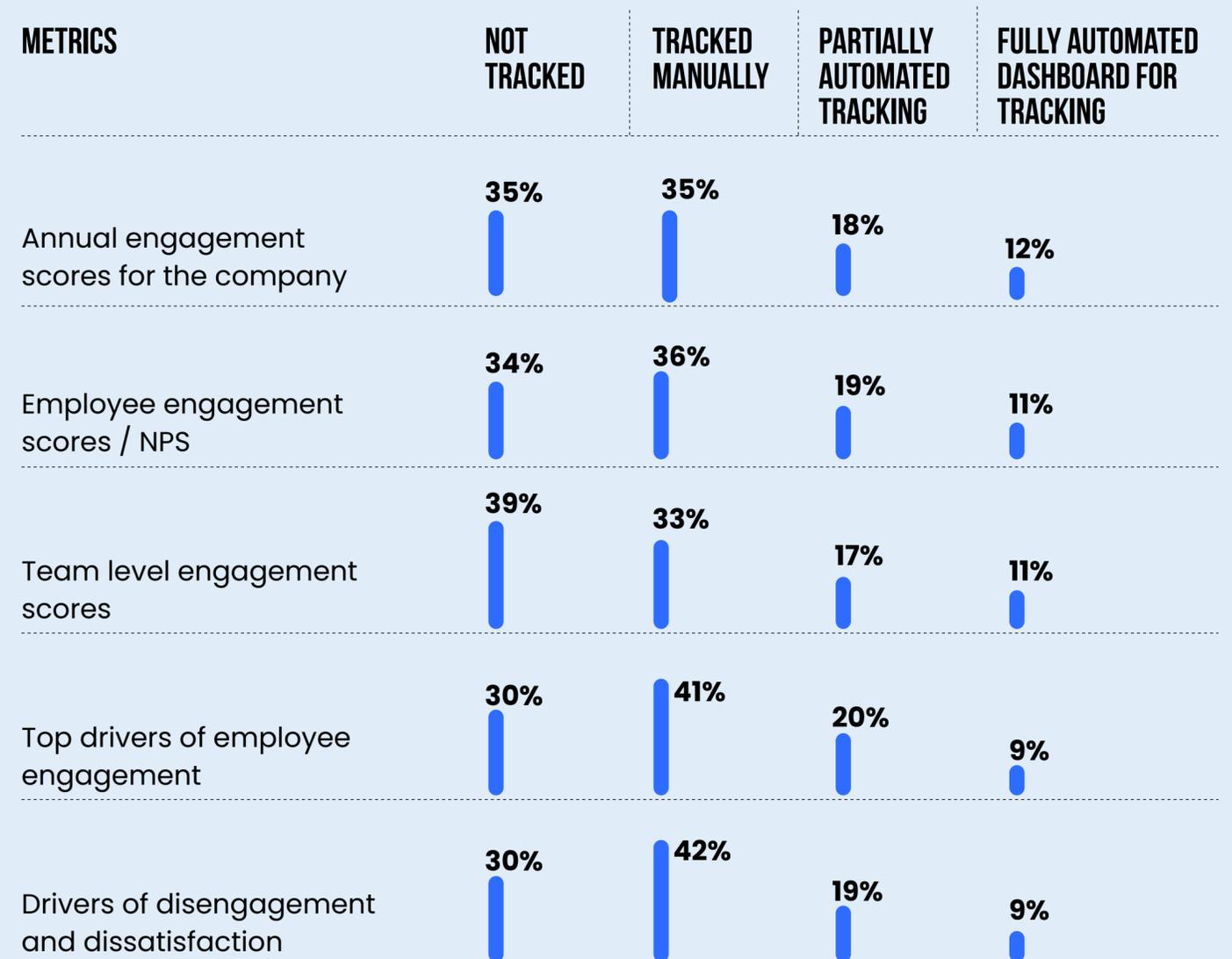
Almost all (90%+) organizations have identified ways to track attrition rate, exits and reasons for exit but are yet to find ways to analyze attrition cost.



e. Employee engagement

While 70% organizations shared that they actively track employee engagement metrics but only 30% have automated ways to track engagement.

How are you tracking these Engagement metrics currently?





PEOPLE ANALYTICS IN 2021 AND BEYOND

When organizations eventually come out of the crisis, they will face many challenges as they return to normal operations: Can we recover those people we have lost? Has our business model changed such that a new set of skills/people are needed? How has our talent competitive landscape changed? And hence, to get these answers, organizations need to accelerate their People Analytics efforts to respond to the unprecedented changing business environment imposed by the novel COVID-19 virus.

To move the needle, our efforts need to include investing in more technology rather than depending on manual data collection and analysis. What is still missing in most cases? Leadership buy-in, better ways of scaling insights on the whole spectrum of talent management, including new tech and tools to integrate data points and identifying drivers of people and business success.

To succeed on this point, here are some recommendations from the survey findings and expert interviews:



Investing in People Analytics efforts:

Reporting is necessary but not sufficient for HR and managers to make better choices. Beyond mere gathering and presenting backward-looking information about employees, the gold standard is People Analytics – connecting HR data to business outcomes in a way that allows for proactive, purposeful, forward-looking action.

There is a need to integrate advanced analytics insights into workflows and decision making. It will help business leaders understand the right opportunities for business and make the right decisions at the right point in time.

Adopting technology:

As the sources of data available to People Analytics evolve and multiply, so does the technology and tools available to analyze it. Until recently, most of the data used by people analysts has been structured, but much of the data provided by the new/emerging sources documented above is unstructured (mainly text but also images, audio and video). Fortunately, technology has evolved to the point that unstructured data and the plethora of insights it offers can now be more easily analyzed. Whilst this means that people analysts continually need to hone and augment their skills, they are also able to capitalize on new technology to enable quicker and better data integration, analysis and visualization.

Getting your leadership aligned with the idea of a data-driven organization:

People Analytics investment needs to be acknowledged by the CFO, COO, and CEO. And it won't just be measured against other HR requests – it will be assessed against requests made by sales, operations, and every other department. Hence, you need to demonstrate how data-driven people decisions contribute to improved enterprise performance, whether it is in the form of increased revenue, better employee retention, or enhanced customer satisfaction. C-suite leaders are looking for investments that can make a meaningful impact on financial performance or can de-risk the execution of a strategy.

THE CASE FOR PEOPLE ANALYTICS: MAKEMYTRIP.COM



YUVRAJ SRIVASTAVA

Group CHRO,
MakeMyTrip.com

Yuvraj Srivastava, Group Chief Human Resource Officer at MakeMyTrip.com shares how India's one of the largest online travel companies is leveraging people analytics to make critical calls and decisions during the crisis. Yuvraj further shares how businesses can accelerate their efforts towards more sophisticated use of people analytics, avoiding the "Analysis – Paralysis", and progress on the People Analytics maturity curve.

Q: How has the overall pandemic situation impacted your business? What kind of people challenge you and are dealing with you due to the COVID-19 crisis?

Makemytrip is a tech and product driven organization that operates in the travel space, our industry has strong dependence on the macro factors and external variables. We are OTA and for us to do well, our partners in Airlines, hotel and related travel industries need to do well as well. As we know, travel and tourism has been one of the worst affected sectors and hence it has impacted us too. However, the good part is that our brands are loved by our customers, we have already started our recovery and hopefully when travel makes a comeback, we will bounce back faster and quicker.

I believe challenges of connecting with the team members, keeping everyone updated on developments, scepticism around the travel industry etc have been the key challenges for us. . But, we are fortunate to have a strong set of leaders and team members who rallied around and created function level engagement plans to ensure productivity. Our focus has been strongly linked with business and futuristic rather than regular fun and connection. We are a fast paced organisation and committed to be ahead of the curve, hence this period has given time to teams to think ahead and create and develop products that would have been difficult while managing Business as usual.

Q: Did People Analytics help you in any way to cope with the people challenges raised by this Pandemic?

Actually this was one of the best times to use people analytics since we were not able to meet people physically. Our employee database and analytics around team members' place of residence, its mapping with the containment zones, finding out about team members who went back to their hometown or stayed back, understanding about team members family configuration etc helped in taking calls pertaining to resumption of office or deployment on various projects. Infact our engagement level pulse survey data emanating from AI driven sentiment analysis tools, gave us ideas about the engagement level of team members and also general sentiment in various teams.

We had realised the importance of correctness of data quite early and our strong data base with good posterity gets us a high degree of predictable analysis and trend.

Q: What makes people analytics a powerful tool to manage business expectations?

For powerful analytics, structuring the data is important. And, to a great extent your end goal with analytics also determines the type of data one needs to collate. In our case, with the help of data analytics we do create a 'Persona' of people who have stronger possibilities of succeeding in our culture. It also helps us create action plans for team members at different levels to help them accelerate their time to succeed. Our identification of campuses for hiring and lateral hiring has a strong reliance on analytics. This does help to a great extent in predicting stability and the adaptability of our new hires. And over a

period of time we have seen the positive impact of people analytics reflected on the overall tenure of our talent across various functions.

Q: Can you elaborate on how you leveraged analytics and what kind of insights helped you in making the right talent decisions in the wake of a pandemic?

Ours is an organisation where data and analytics play a very critical role in every aspect of our business and allied processes. We are a tech and product company that interacts with its customers remotely and through technology solutions . Right from marketing decisions to product features to even customer queries, every aspect has immense reliance on the data gathered from the online behaviour of our customers. Hence, in such a scenario you can not avoid analytics and data in the HR domain. During the pandemic our long due plans of restructuring some of our businesses also took place and while doing the restructuring of the businesses , insights about talent did help us to take some critical calls and decisions.

Q4: Through our survey, we found that the adoption of people analytics is still at a nascent stage (Descriptive Stage). What kind of challenges and opportunities do you see in leveraging people analytics?

I believe that people behind the process are equally important as the process, organisations might be enamoured by AI, data analytics etc but may not be working to upskill their workforce to leverage the power of analytics. In our case, most of the people in our HR team are very strong in terms of their analytical skills and comfort with technology. We focus on dashboarding, identifying trends, converting incidents into measurable events extensively. While we do work heavily with data, we are conscious of the adage of "Analysis – Paralysis" hence the right amount of human touch and experience also is used to validate

Q: Right now most of the organizations are tracking data and insights manually. It is one of the factors that is keeping organizations from progressing in their efforts towards achieving more sophisticated people insights. What is your view around this finding?

As I said, we need to first evaluate internal capability of the systems and people and then in accordance with the competence decide upon our data and analytics journey. Many organisations would have sophisticated tools but at the end their ability to handle the tools might be limited. Also, it is critical to understand that data and analytics is expected to increase your speed of decision making, wherever systems and tools become complex and person dependent, the system slowly slides down towards manual processes. My belief is that people with right skills and capabilities are the prerequisite of organizations' progress towards deeper people insights with the help of analytics.

Q: Through our survey, we also found that "Only 22 percent of respondents shared that their leadership feels that people analytics is a must-have, a priority, and they have offered support in making a substantial investment in tech." How can organizations accelerate their people's analytics maturity curve? How is your organization approaching the maturity curve?

I think people analytics works well and is needed in an organization which has a scale in terms of manpower, another situation can also be organisations with distributed offices or hybrid work arrangements (WFH, Office working, Field work force etc). My understanding is that every organisation will have its business evolution curve and people process evolution curve and both of these together decide the hierarchy of needs of the organisation with respect to people process automation or need of people analytics tools or systems. It is very important for the organisation and people responsible for people processes to understand the hierarchy of this need very clearly. Any initiative which is ahead of its time will not succeed and once failed will take time to come back credibly. Question to be asked is that are we ready to embrace people's analytics over other needs ? Are we deploying a solution to satiate our need as a professional or is it going to solve something important and critical for the organisation.

THE CASE FOR PEOPLE ANALYTICS: TECHMAHINDRA



HARSHVENDRA SOIN
Chief People Officer,
Tech Mahindra

Here is an exclusive interview with Harshvendra Soin, Chief People Officer at Tech Mahindra on how one of India's largest IT companies has been able to create a significant impact on its people strategy by making people analytics a strategic priority for HR. Harshvendra shares how the company is at the forefront of People Analytics and how it has helped TechMahindra in being recognized as one of the top 'Great place to work' companies

Q: How has the overall pandemic situation impacted your business? What kind of people challenges are you dealing with due to the COVID-19 crisis?

We are a company of about 1,25,000 people spread across 90 countries. So, when the pandemic hit for the first time in Wuhan, we got hit as we have a set up in Wuhan. Our first immediate priority was to take care of the safety and security of our people in India and those stranded in other different locations.

Along with this we also had a need for knowledge sharing, in terms of understanding the crisis, and acknowledging and communicating the immediate safety precautions that needed to be taken. Our experience with the pandemic can be broadly categorized into the following three phases:

- 1. Survive:** Using existing infrastructure to maintain the business community. Therefore, in this stage prime importance was given to the physical safety of our people.
- 2. Revive:** Re-integrating the whole social distancing norms and precautions as we start operating our physical offices.
- 3. Thrive:** This is where we are currently in our journey of reimagining our workplace with the new norms of work.

Q: Did People Analytics help you in any way to cope up with the people challenges raised by Pandemic?

The answer is a big yes! We immediately wanted to have access to information on which part of the world our people are working in. There are people who are at business meetings, people who are in client locations, etc. The analytics kept updating their location.

People Analytics gave us a sense of metrics like who is productive and who is not? It gave us facts on people who were billable and which weren't. It helped us make decisions on what to off-shore and what to move on-site.

Further, through analytics, we got to know which employees have low morbidity. This data was very important for us as we didn't want our employees to take health-risk as we plan to reopen our physical offices. In fact, People Analytics helped us make a crucial decision on which people we should bring back to the country from the client location.

People Analytics have been extremely helpful in making many big-decisions in times of pandemic.

Q: Through our survey, we found that the adoption of people analytics is still at a nascent stage (Descriptive Stage). What kind of challenges and opportunities do you see in leveraging people analytics?

So, it is slightly different in our case. We have always been at the end of using advanced analytics for making people decisions.

I have a dashboard called 'CPO dashboard' where I get updates on daily basis metrics like attrition, headcount, skilling, data on people promoted to a higher level, etc. People analytics and use of data are very much integrated into every function of HR and we rely quite heavily on it.

We are one of the top 25 GPTW recognized companies and in fact the top if we have to recognize the employee base. What really differentiates us from the rest is the way we leverage data and analytics to make decisions.

Q: Right now most of the organizations are tracking data and insights manually. It is one of the factors that is keeping organizations from not progressing their efforts towards achieving more sophisticated people insights. What is your view around this finding?

The problem area is whether data analytics in HR is a strategic priority or not. People analytics more than financial investment requires a commitment to which most organizations are not ready and because it isn't a strategic priority.

Though prior to the pandemic, it wasn't a priority given the digitization unraveled by the pandemic, it has become altogether imperative for businesses to 'survive' the implications posed on businesses.

Q: Through our survey, we also found that "Only 22 percent of respondents shared that their leadership feels that people analytics is a must-have, a priority, and they have offered support in making a substantial investment in tech." How can organizations accelerate their people's analytics maturity curve? How is your organization approaching the maturity curve?

At TechMahindra, 68 percent of our total cost is People Cost. We want to build an organization that is purpose-driven and employee-centric. To enable it, investment in HR and people technology is a must. I believe both high tech and high touch are essential to a successful business.

And to your question on approaching the maturity curve, we in a very earlier stage realized that the business ecosystem cannot be driven by gut feelings. You need historical evidence, analytics to make sense of this data and based on data prediction to what might happen in the future!

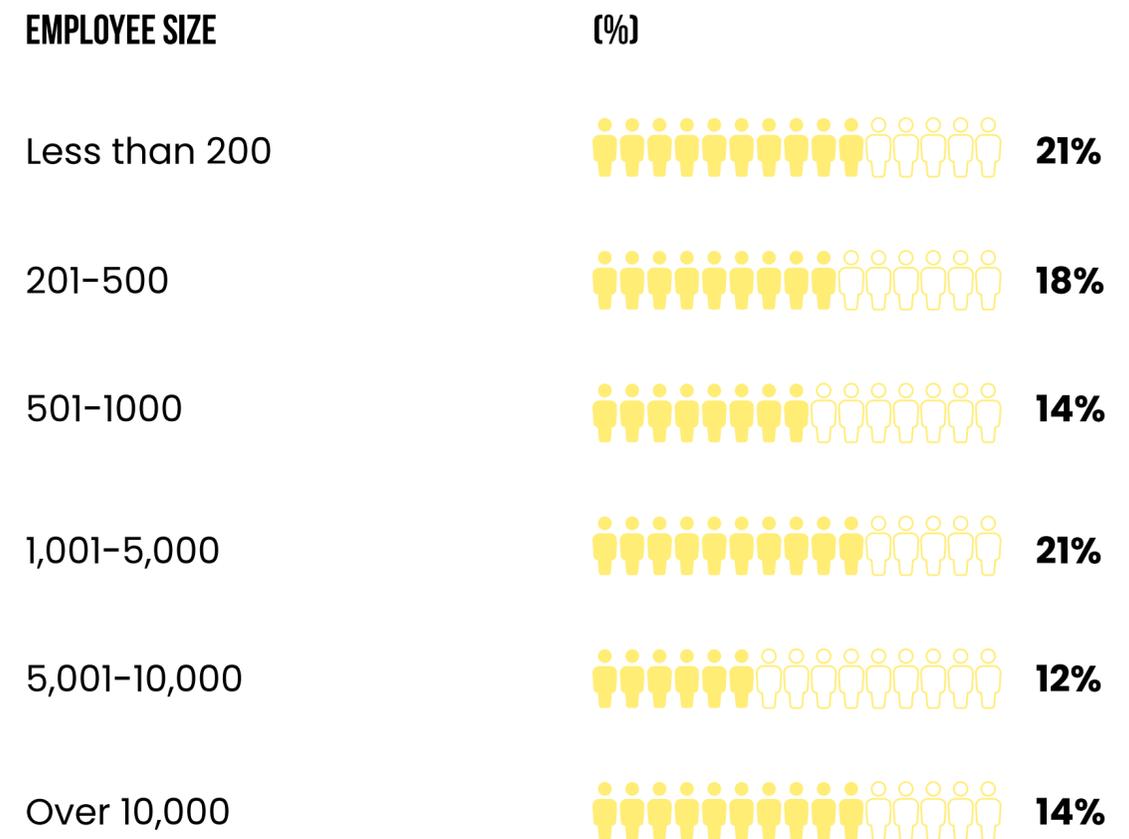
APPENDIX

The survey covers 126 respondents from organizations that are either very or somewhat familiar with People Analytics. The survey garnered responses from large organizations with employee size of over 10,000 to smaller businesses with an employee size of less than 200.

Based on the responses we have categorized organizations as advanced to early adopters of People Analytics and upon analysis, benchmarked the gaps and best practices of organizations in leading People Analytics journeys.



Organization sizes represented:



THANK YOU FOR READING OUR REPORT

We hope you find this report both inspiring and practical for you to discover and create a strong People Analytics function and capabilities in your workplace.

To know more about this report, and get more insights around People Analytics, reach out to:

peplematters

People Matters

www.peplematters.in

People Matters is Asia's largest and world's fastest growing digital media and community platform in the arena of people and work. With over 300K community members we bring the talent fraternity abreast with new ideas, trends, technological innovations, expert viewpoints and new pathways that raise its collective consciousness and help in finding all the answers pertinent to people and work.

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