

Slide 1

**Deloitte.**

## Data-Driven Talent Decisions

Where We are Now -  
Where We Want to Be

*Karen O'Leonard  
Vice President, Analytics & Benchmarking  
Bersin by Deloitte  
Deloitte Consulting, LLP*

*November 2014*

Bersin by Deloitte.



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Slide 2

## Agenda

- Where are we?
- Where do we want to be?

Break-out Groups

- How do we get there?

Discussion

- Wrap-Up

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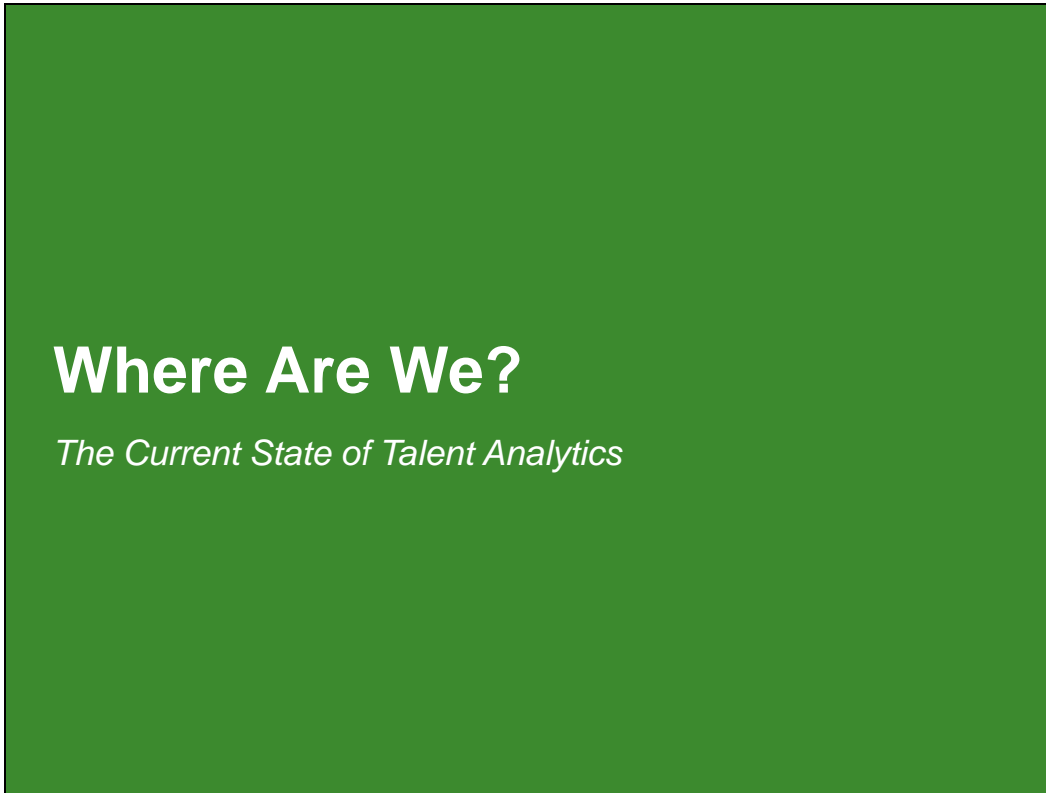
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Slide 3



**Where Are We?**  
*The Current State of Talent Analytics*

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Slide 4

## Talent Analytics Maturity Model

Level 1

**Operational Reporting**  
*Reactive Reporting of Operational & Compliance Measures*  
*Focus on Data Accuracy, Consistency, Timeliness*

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Slide 5

## Talent Analytics Maturity Model



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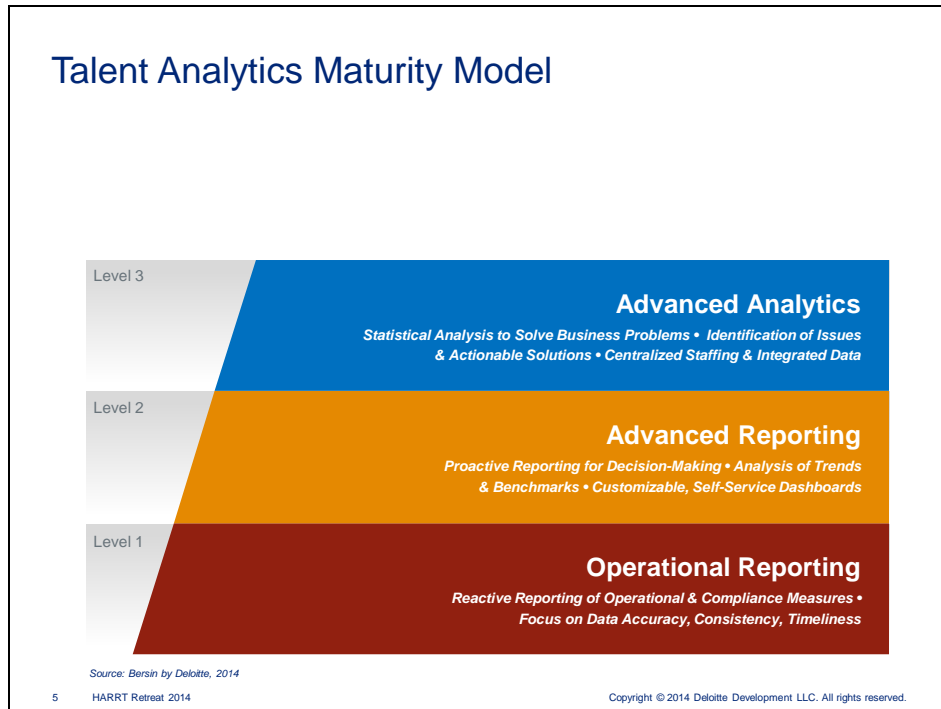
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Slide 6



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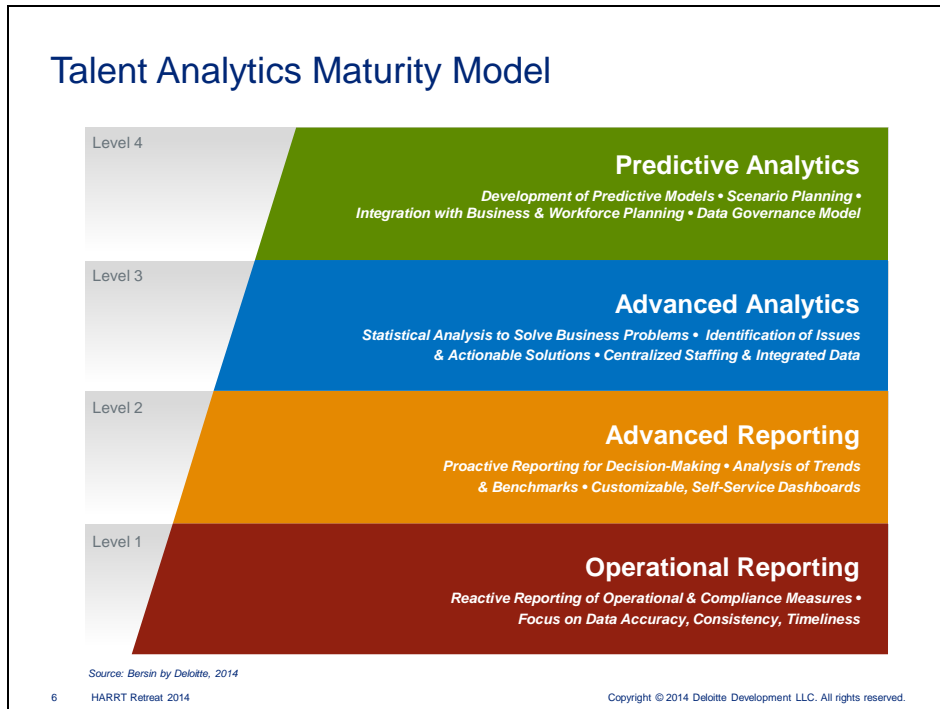
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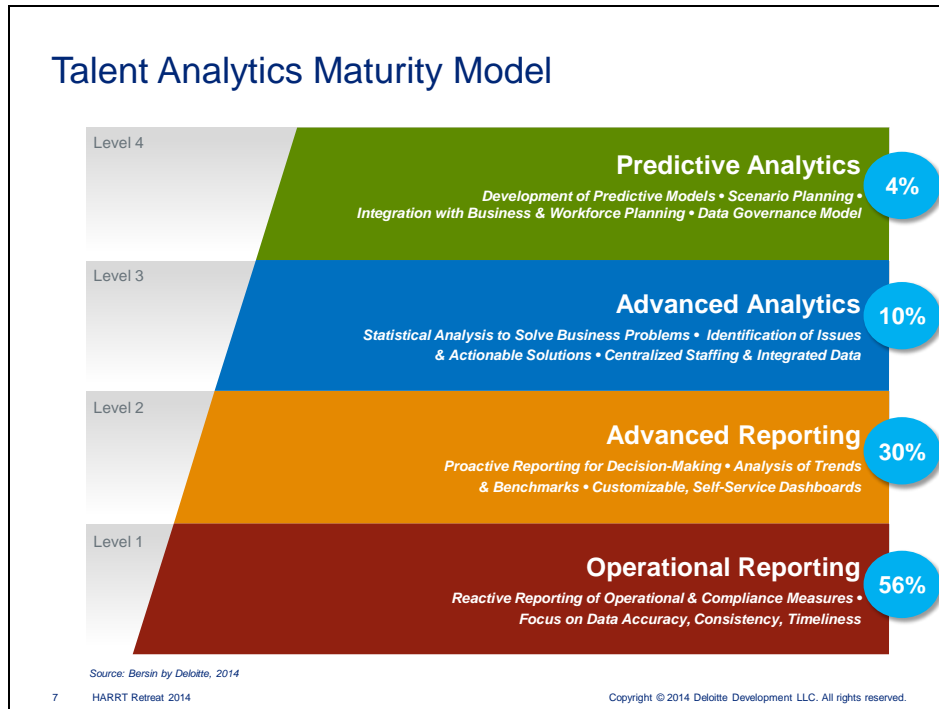
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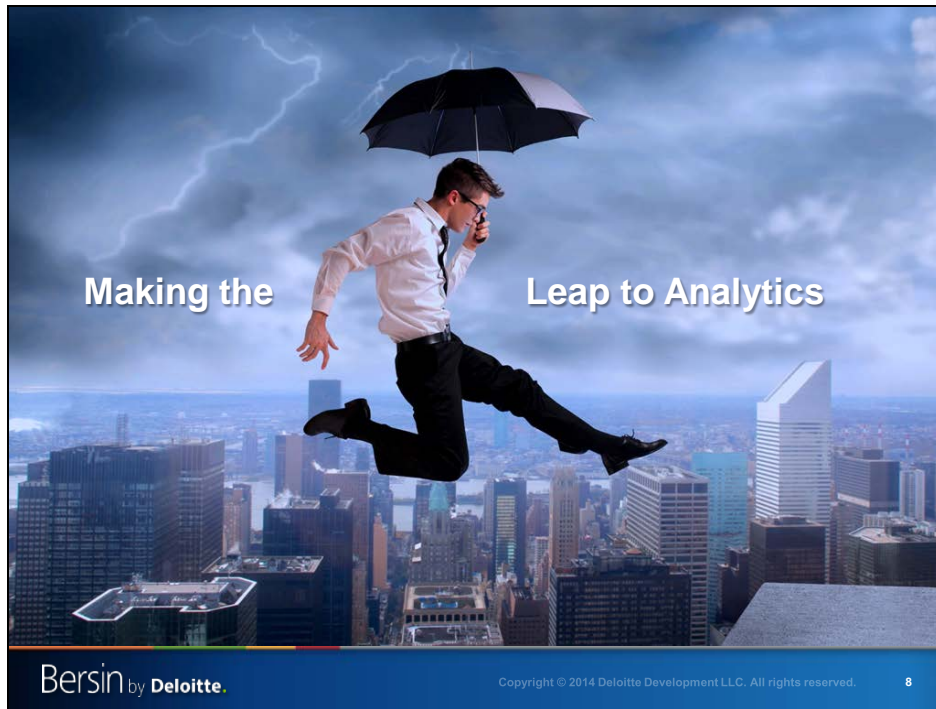
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Slide 10

# Where Do We Want to Be?

*Opening Up New Possibilities*

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Slide 11



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### Focus on Solving Business Problems

*Measure with a focus on decision making – know what business problem is being addressed.*

- How can we reduce turnover in our critical roles?
- What training programs drive greater productivity?
- How can we hire better candidates?
- What will our talent gaps be next year based on retirement rates?
- How can we improve client retention?
- How do we optimize the use of our contingent workforce?

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Slide 13



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### Example: Hiring Salespeople

Recruiting process for new sales reps was based on a set of **beliefs** held by executives.

Criteria included:

- ✓ Degree from top university
- ✓ High grade point average
- ✓ Good quality references



**The process was NOT working: new sales reps had high turnover and high variability in performance.**

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## Example: Hiring Salespeople (cont.)

*Data showed that six things matter*

### Highly Correlated with Success

1. No typos or errors on resume
2. Attained a degree
3. Prior experience selling real-estate or autos
4. Demonstrated success in prior jobs
5. Ability to succeed with vague instruction
6. Experience planning time and multi-tasking

### What Didn't Matter

- Where they went to school
- Grade point average
- Quality of their references

### Their Assumptions Were Wrong

**Within six months of implementing a new screening process, revenues went up by \$4 million.**

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Slide 16

## Example: Evaluating the Screening Process

*Should we hire candidates with resume errors?*

**John Smith**

~~ACADMEMIC~~ BACKGROUND  
Bachelor of Science Degree, May 2011  
Major: Business Administration

COMPUTER SKILLS  
Microsoft Power Point, Excel, Word, Outlook

EXPERIENCE  
Sales Rep. Boston, MA  
ABC, Inc.

- Top seller for there Northeast region
- Sells product to large companies
- Provided customer service

**Common Resume Errors**

- Misspelled words
- Typos
- Grammatical Errors
- Formatting Mistakes

**Employees with resume errors were:**

- 50% more likely to turnover
- 30% lower performance

**Actions taken**

- Resume screening for errors
- Resumes with errors do not pass through to hiring managers

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### Example: Examining Rehires

*Are rehires better quality than "brand new" hires?*

**Rehires Better:**

First year performance scores

Rehires who were High Performers typically **did not** retain their high performance past the initial 12 months.

**"Brand New" Hires Better:**

Retention  
Tenure

Rehires 18% more likely to vol term

Rehires term 7x faster

The longer the time to rehire, the lower the chance of turnover.  
(After 3 years, the chance of termination declines substantially.)

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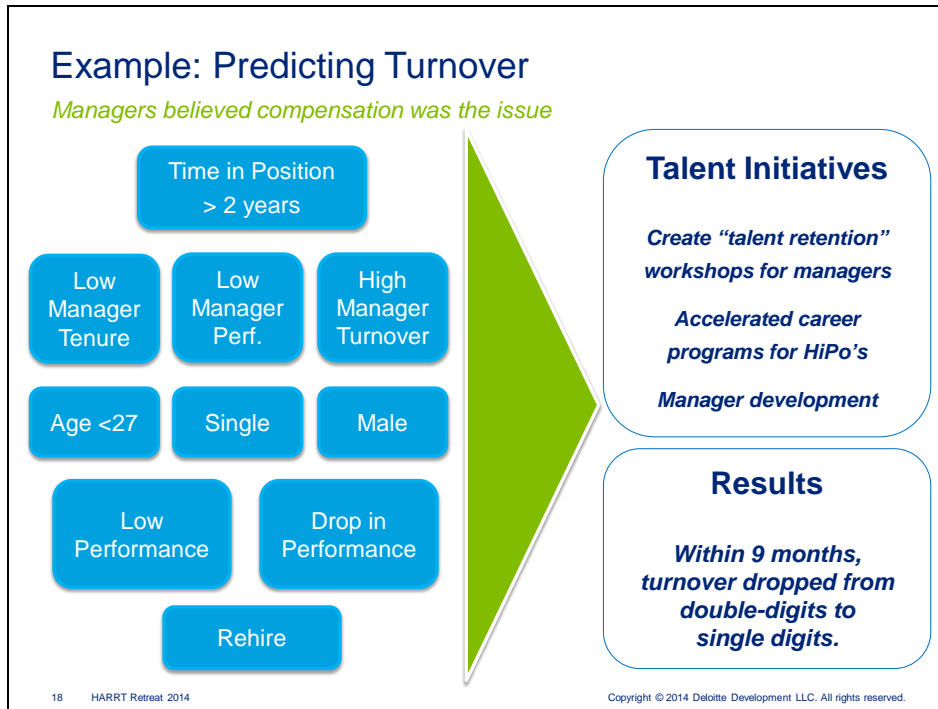
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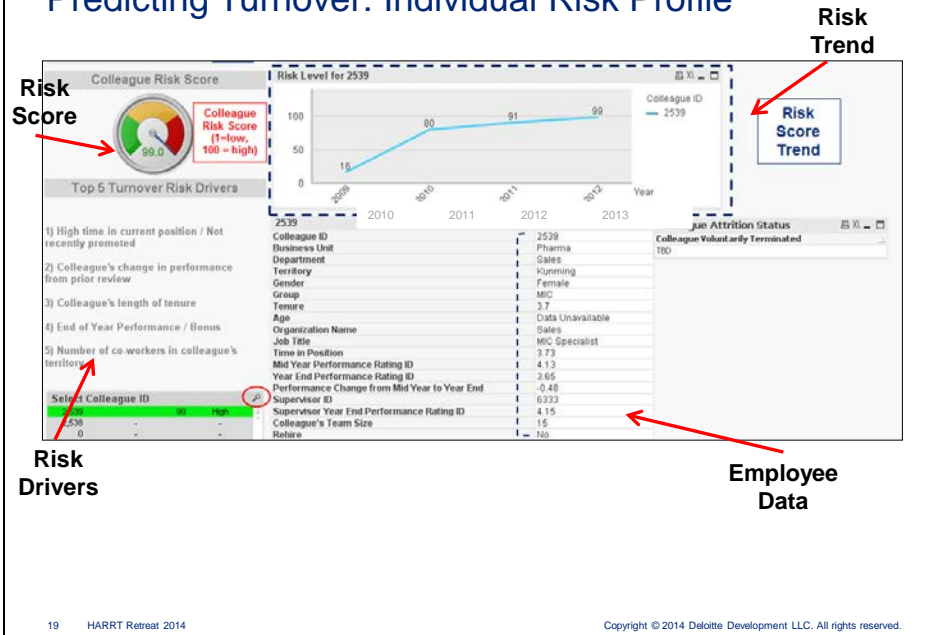
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## Predicting Turnover: Individual Risk Profile




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## Quantifying the Benefits of Reduced Turnover

*Millions in savings for each percentage point drop*

Cost Savings: Hard Costs	
<b>Hard Costs</b>	
Recruiting and hiring costs per employee	\$20,000
Training and orientation costs per employee	\$ 8,000
<b>Total hard costs per lost employee</b>	<b>\$28,000</b>

Total Cost of Voluntary Turnover Per Lost Employee	
Hard Costs	\$28,000
Economic (Soft) Costs	\$48,000
<b>Total</b>	<b>\$76,000 per lost employee</b>

Cost of Voluntary Turnover to Organization	
1% Voluntary Turnover Rate	
X	30,000 employees
X	\$76,000 cost per employee
<b>Total Cost</b>	<b>\$22.8M</b>

Cost Savings: Soft Costs	
<b>Soft Costs</b>	
Time to source / identify new candidate	10 days
Time to recruit new candidate	50 days
Time to train/develop in year 1	20 days
<b>Total</b>	<b>80 days</b>
16 wks (80 days) x \$2,000/wk	<b>\$32,000</b>
Time to reach productivity of lost employee	20 days
20 days X (\$100 rev / ee hour)	<b>\$16,000</b>
	<b>\$48,000</b>

This organization stands to save \$22.8 million for every 1 point decrease in their voluntary turnover rate.

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## Break-Out Groups

*How is your HR organization using data to fuel insights and decision-making?*

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Slide 23

# How Do We Get There?

*Steps to Improving your Analytics Capabilities*

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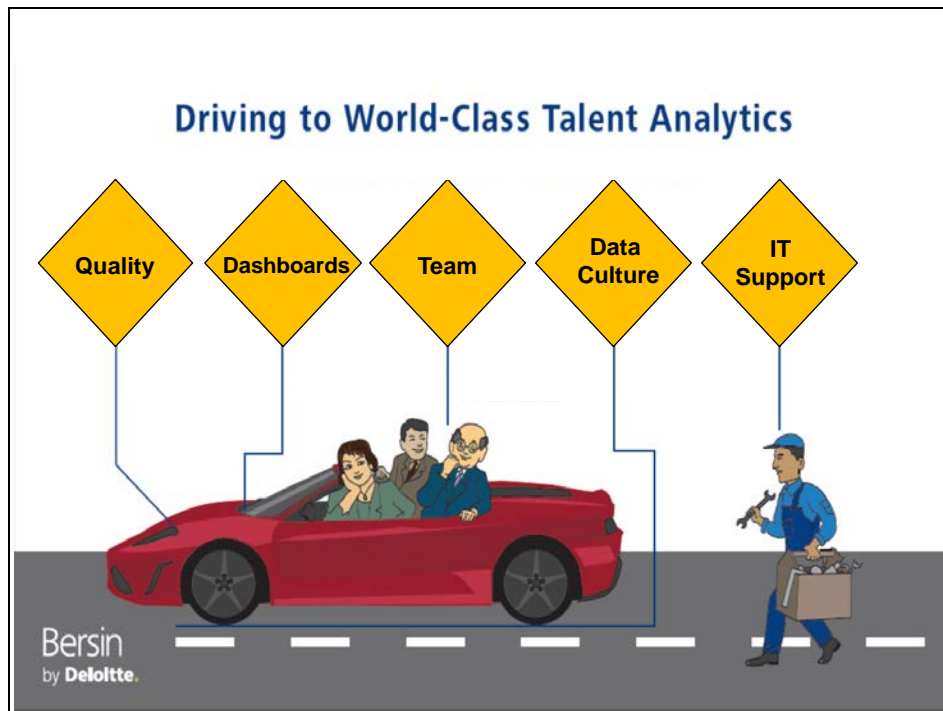
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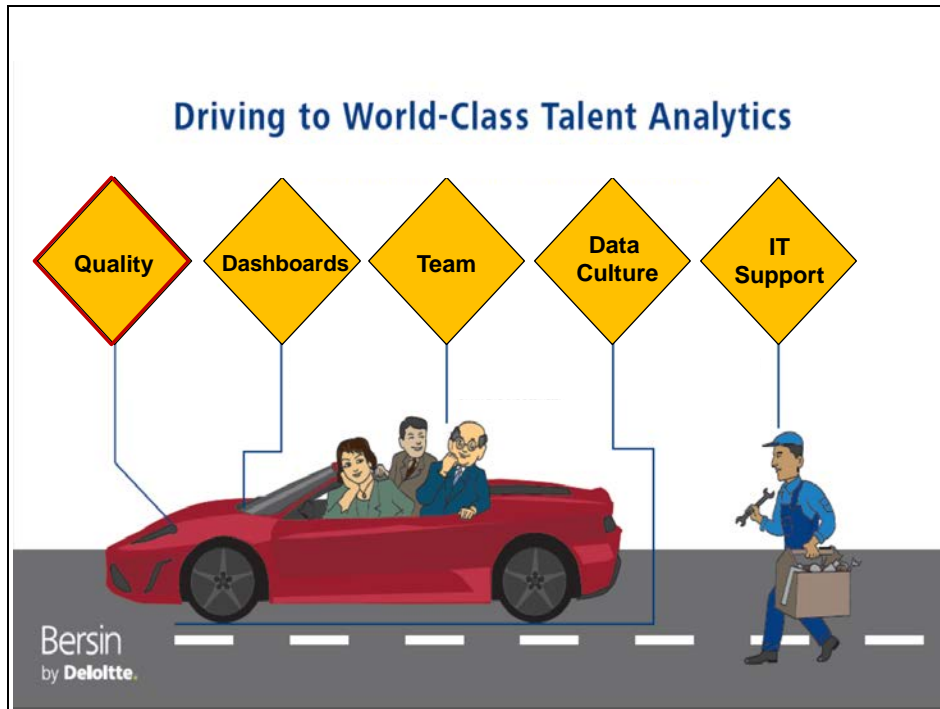
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The graphic features a central globe with a grid pattern, set against a background of vertical binary code (0s and 1s). Several data quality issues are listed in blue text around the globe:

- Out-of-date data
- Outliers
- Inaccurate data
- Missing data
- Invalid data
- Duplicates
- Conflicting data
- Poorly-defined data
- Lack of Data Standards

At the bottom left of the graphic, it says "25 HARRT Retreat 2014". At the bottom right, it says "Copyright © 2014 Deloitte Development LLC. All rights reserved."

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Slide 27

Changing the Dialogue with Stakeholders

The diagram illustrates a shift in stakeholder dialogue. On the left, a blue speech bubble contains the text "Is this data correct?". A blue arrow points to the right, where another blue speech bubble contains the text "What do we do about it?".

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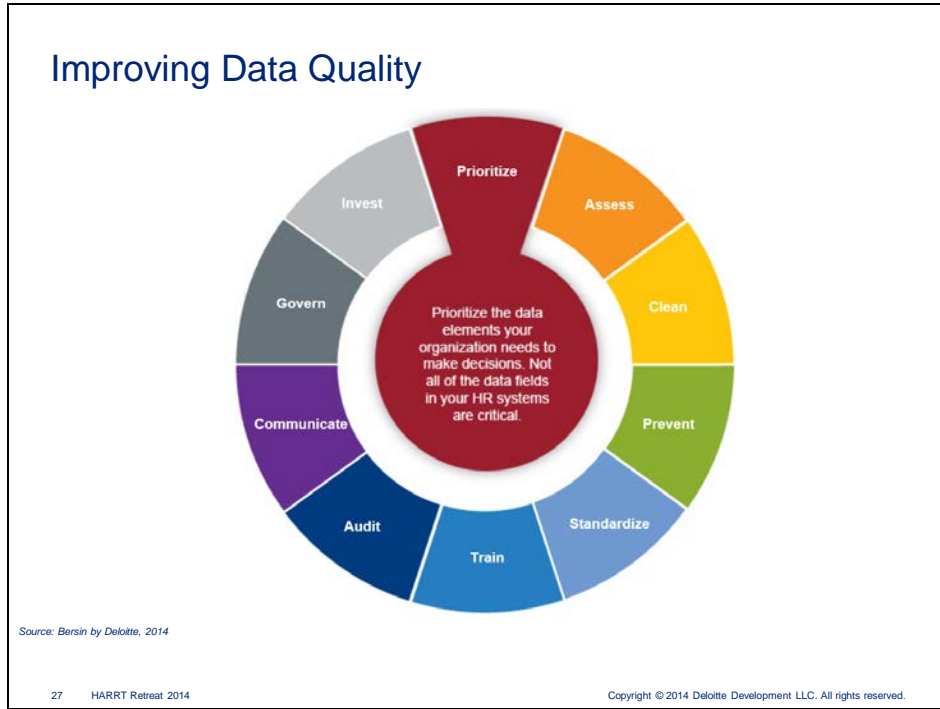
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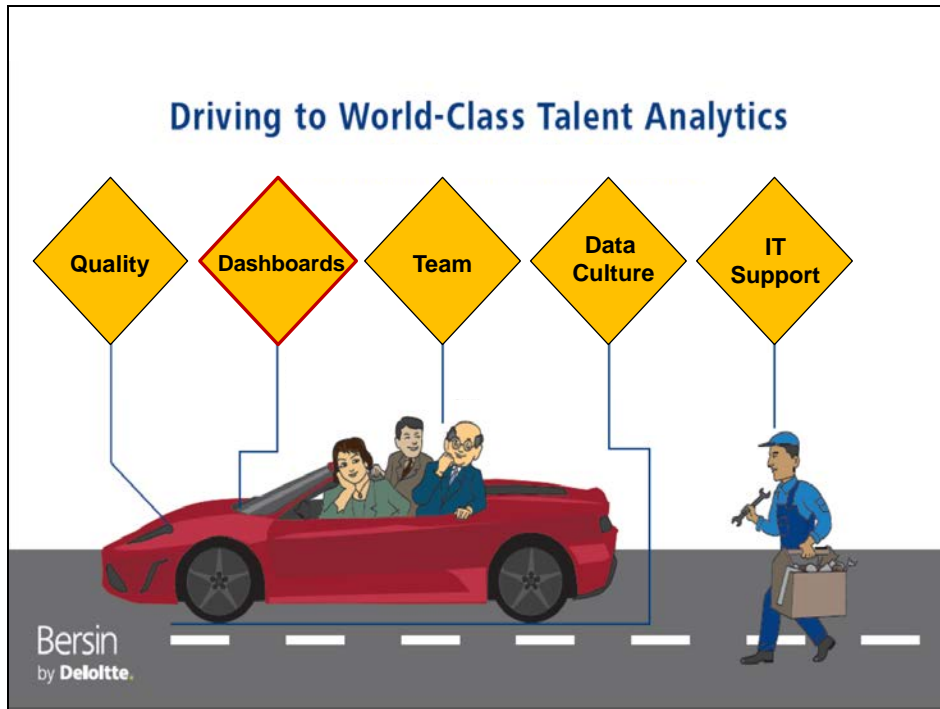
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Slide 30

**Dashboard Capabilities**



Customized by audience

Self-service capabilities



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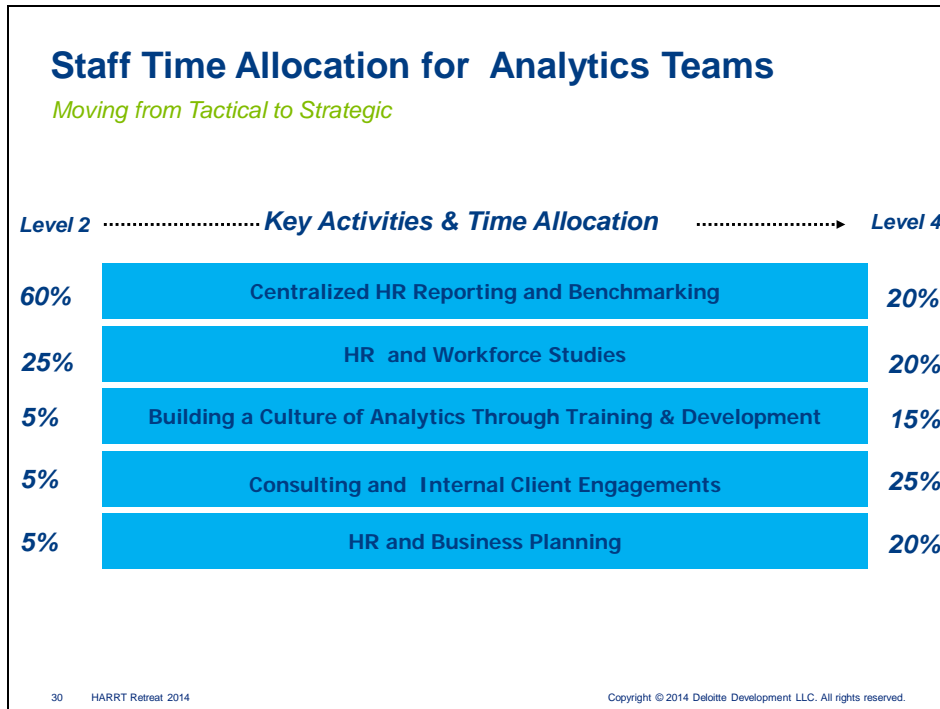
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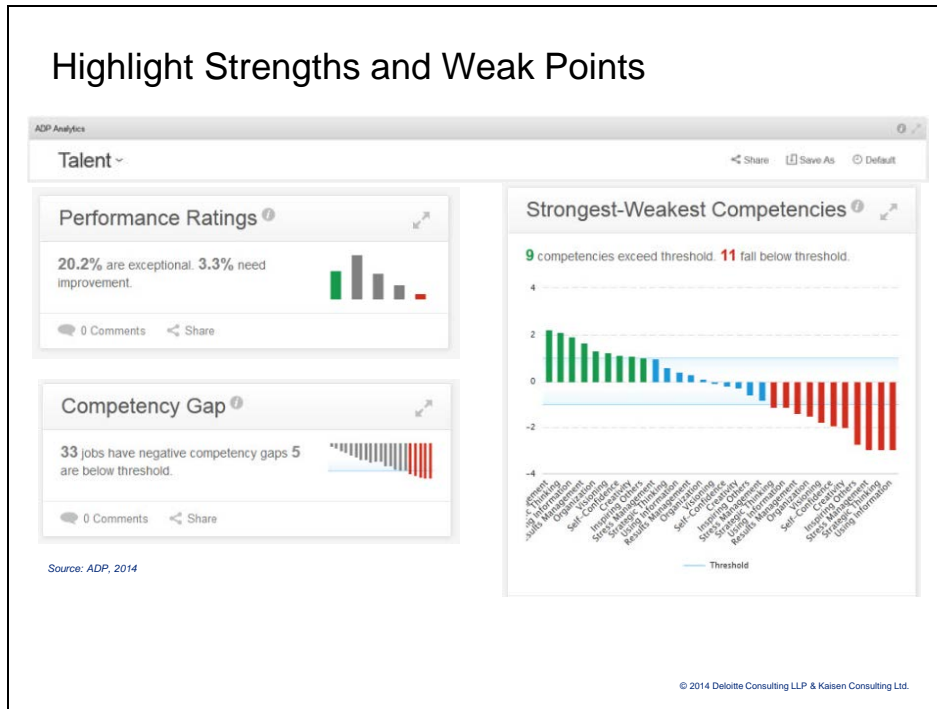
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Slide 32

## Highlight Strengths and Weak Points



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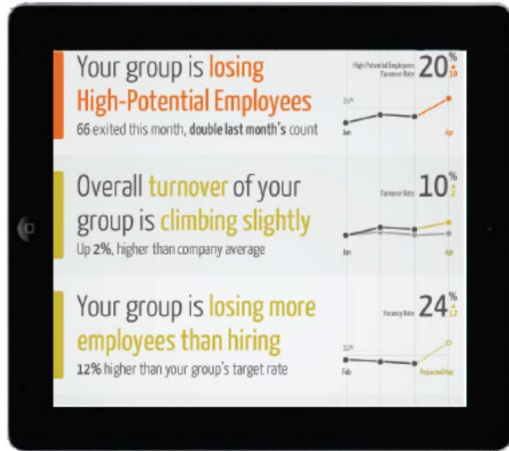
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Slide 33

## Highlight Key Findings

*Don't just deliver data... Deliver insights*



Source: SuccessFactors 2013

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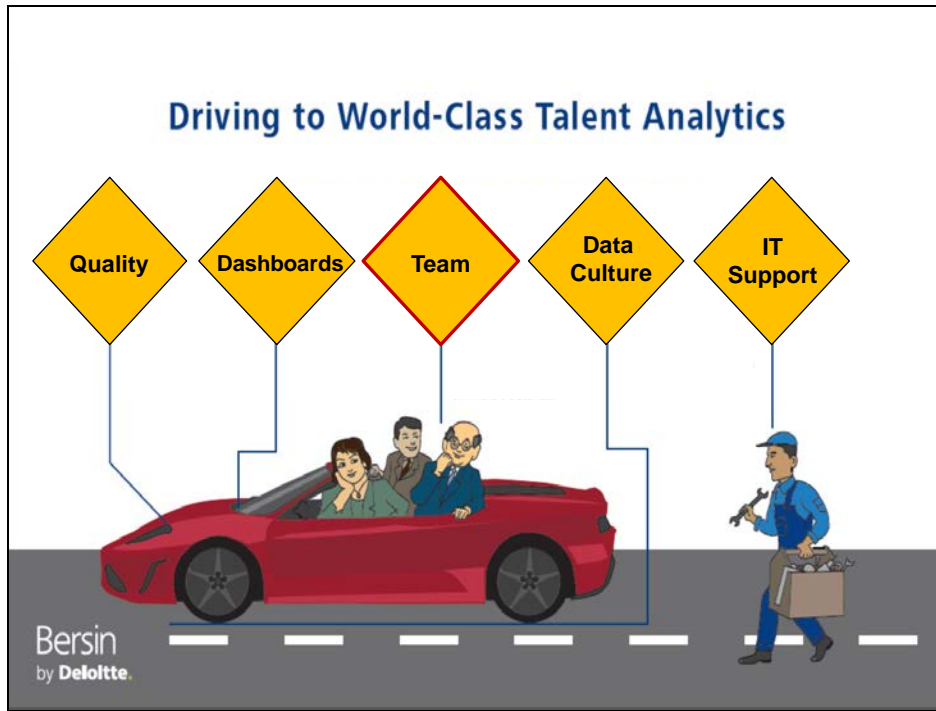
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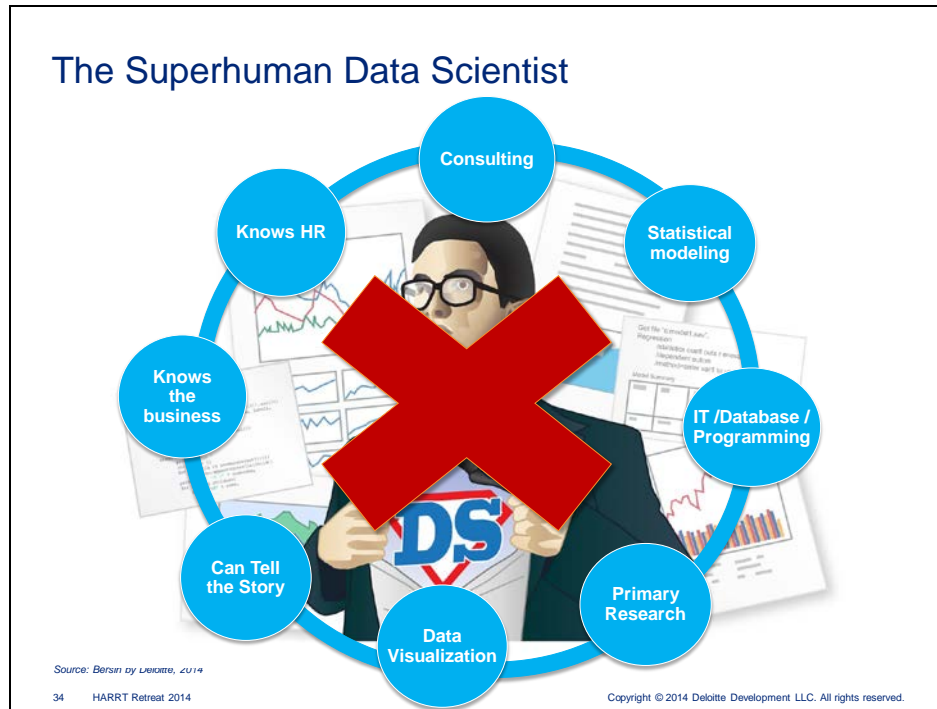
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Slide 35



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Slide 36

A Team-based Approach with a Diversity of Skills



Source: Bersin by Deloitte, 2014

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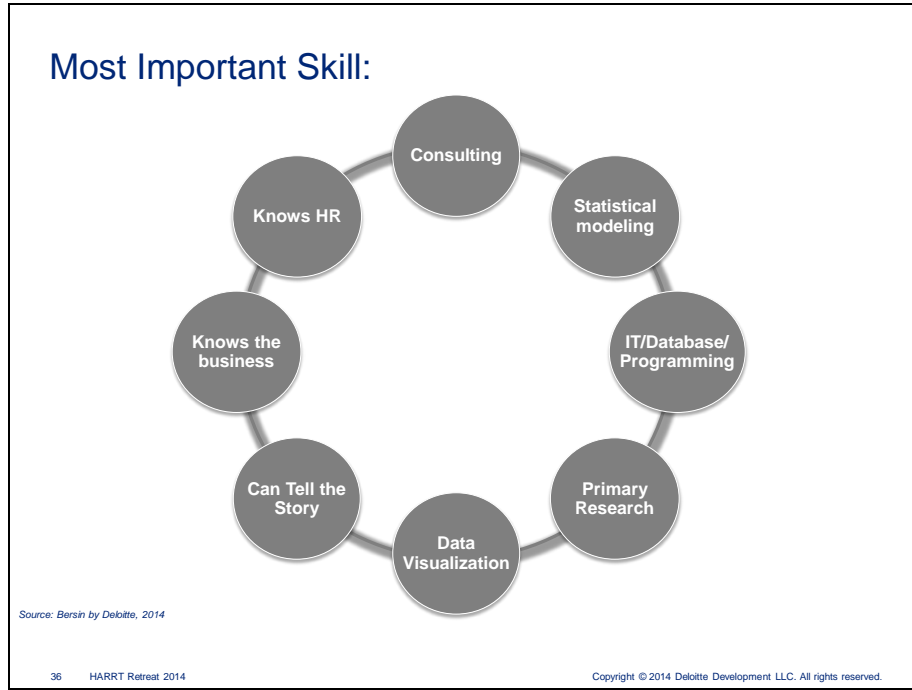
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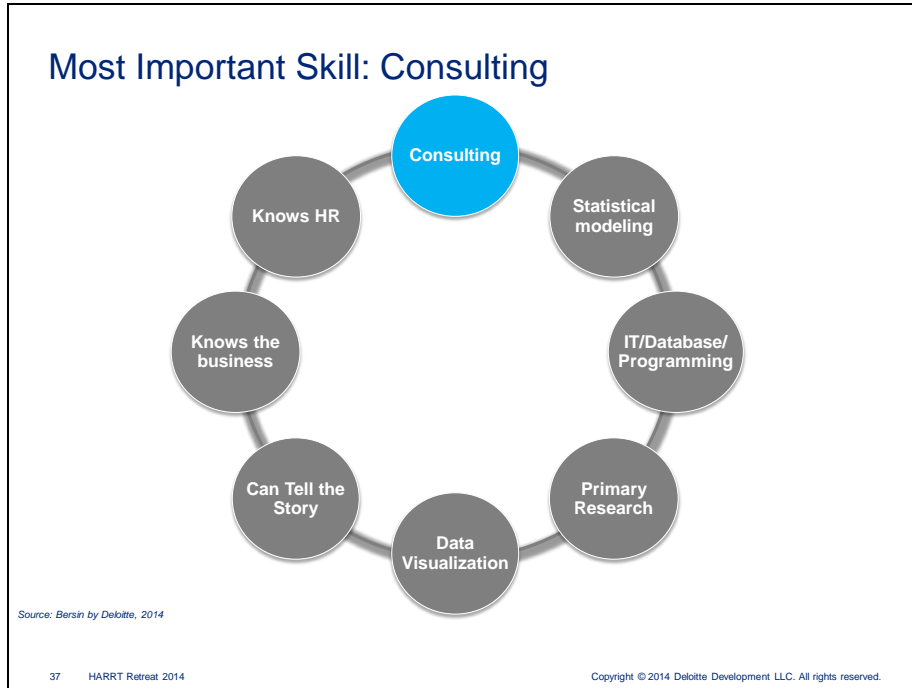
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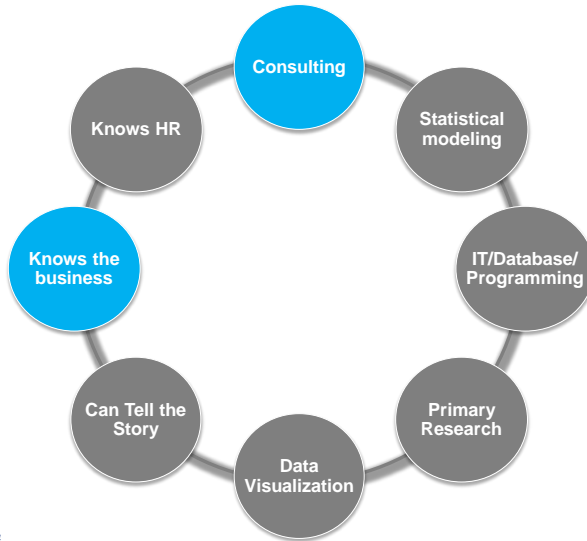
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Slide 39

### Align Consultants with Business Units



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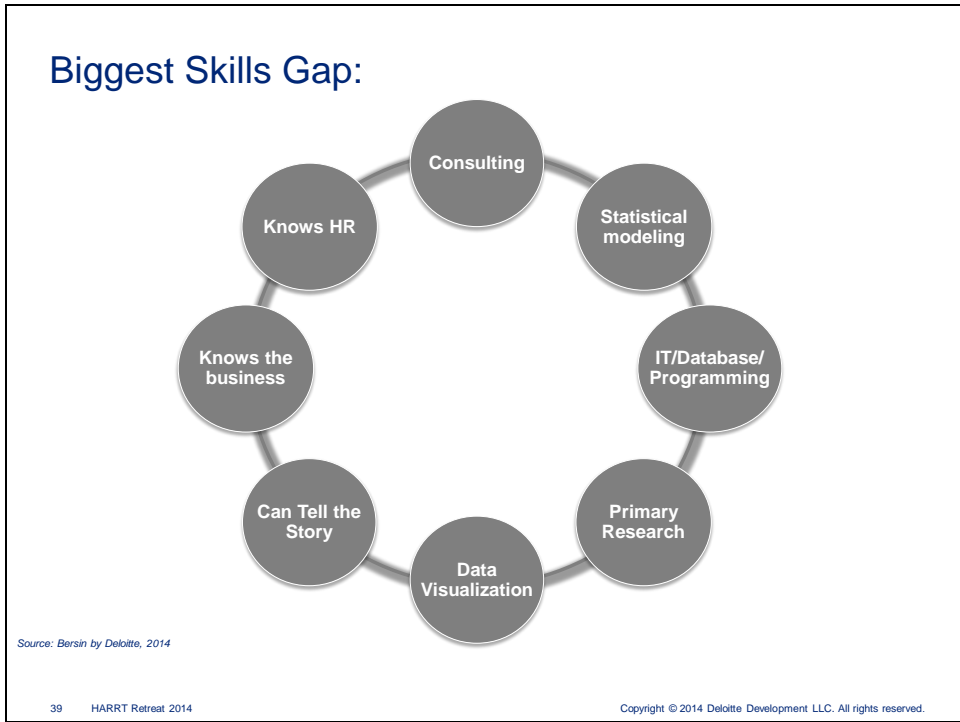
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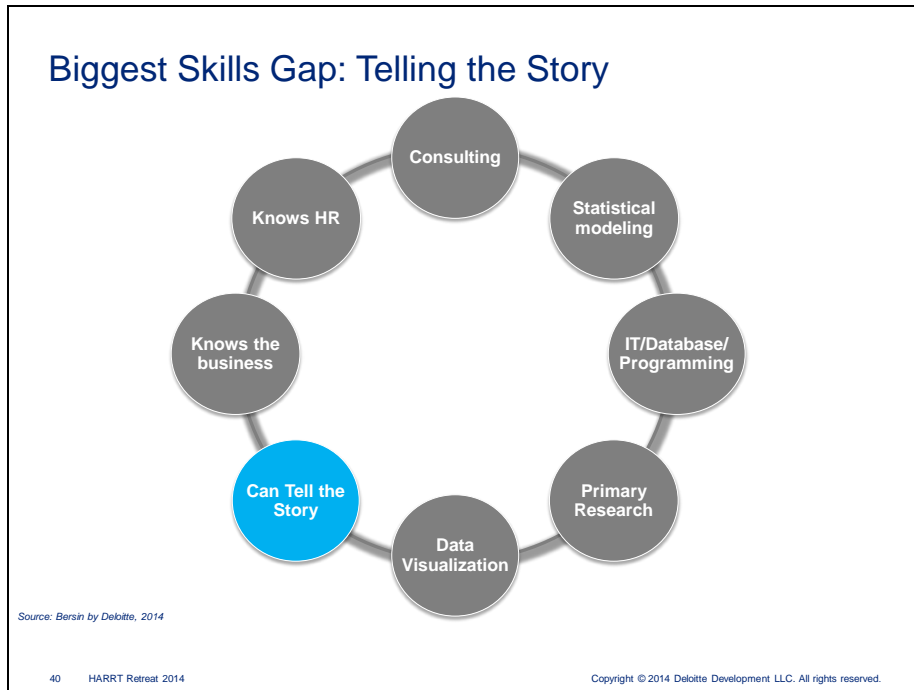
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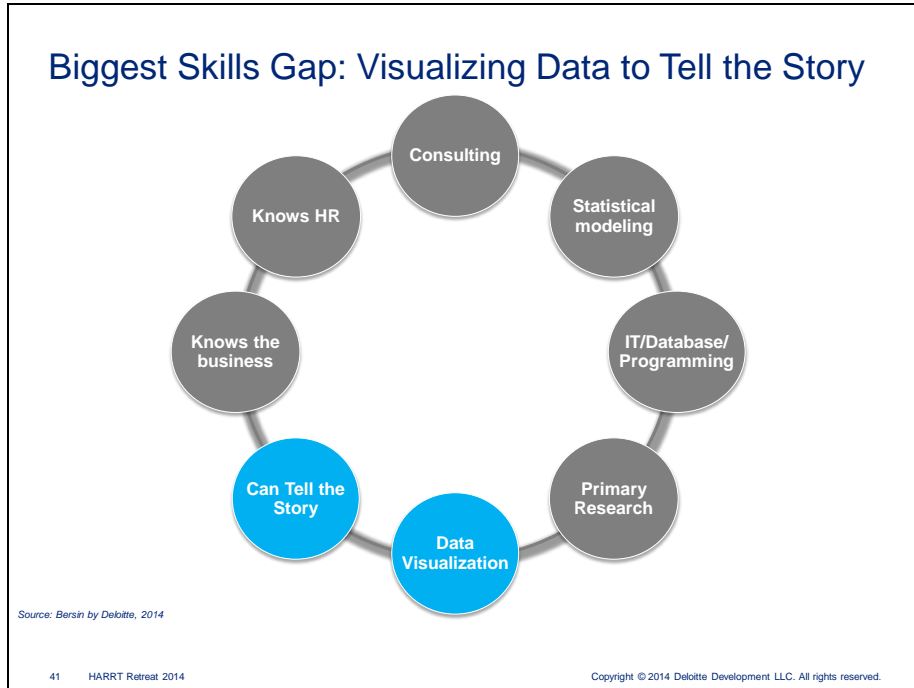
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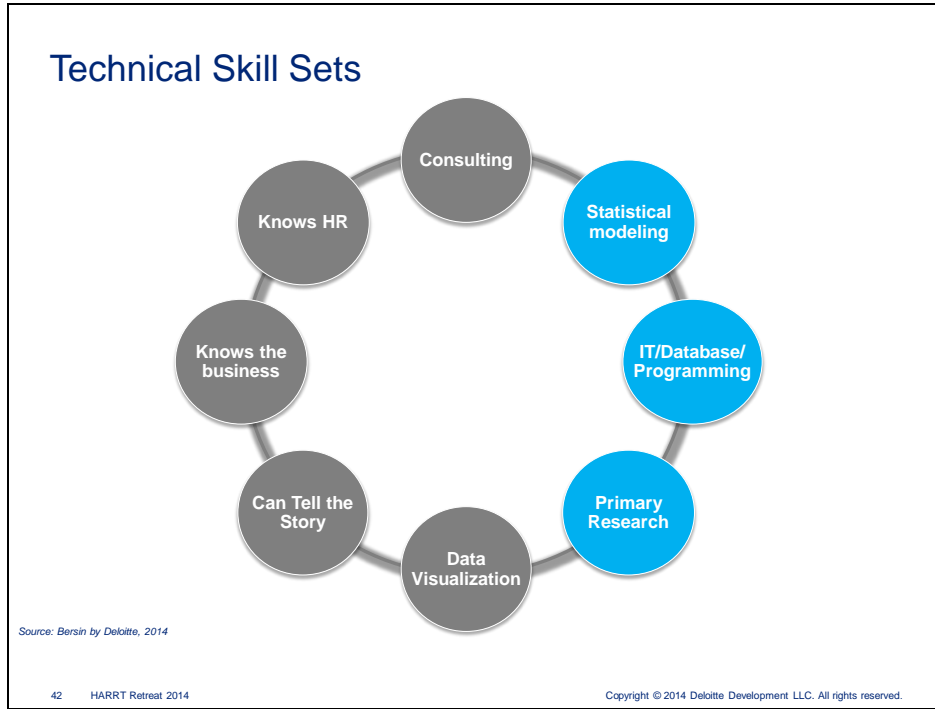
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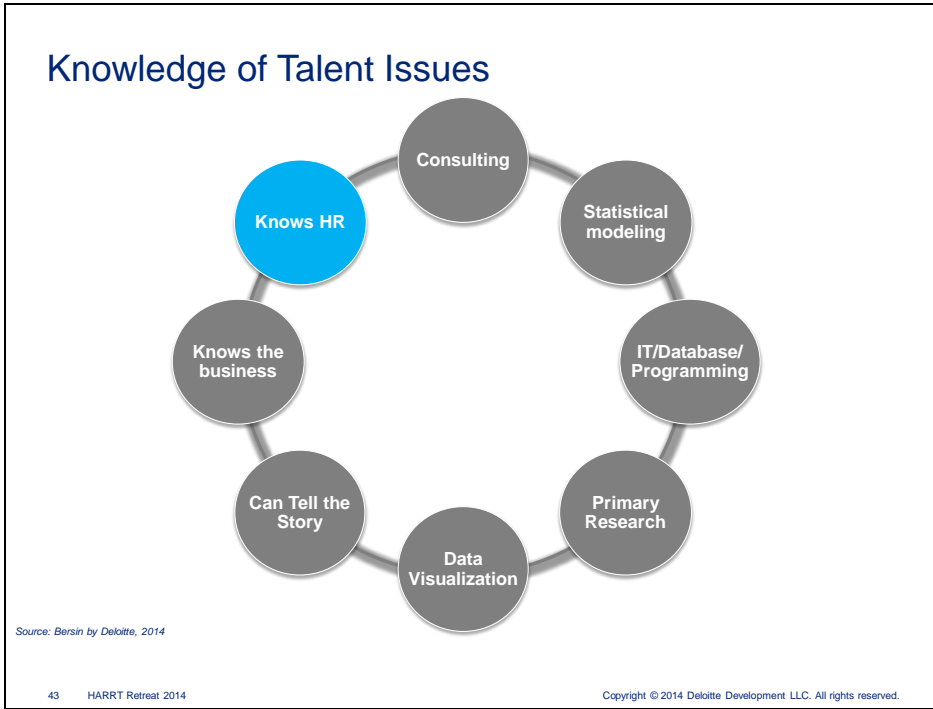
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Slide 44



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Slide 45

## It Takes a Cross-Functional Team



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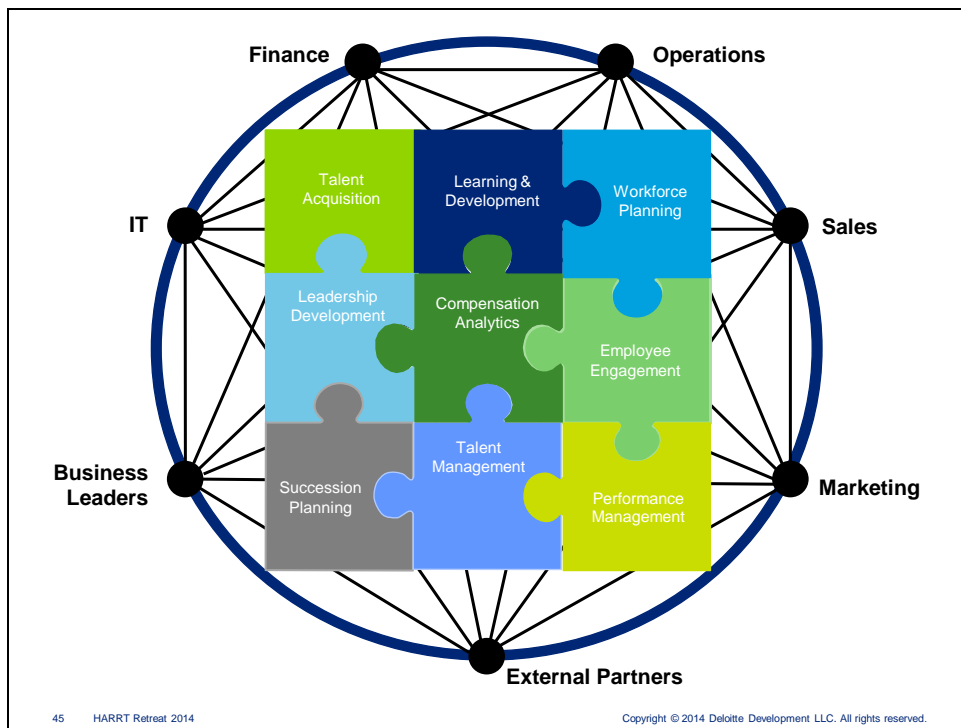
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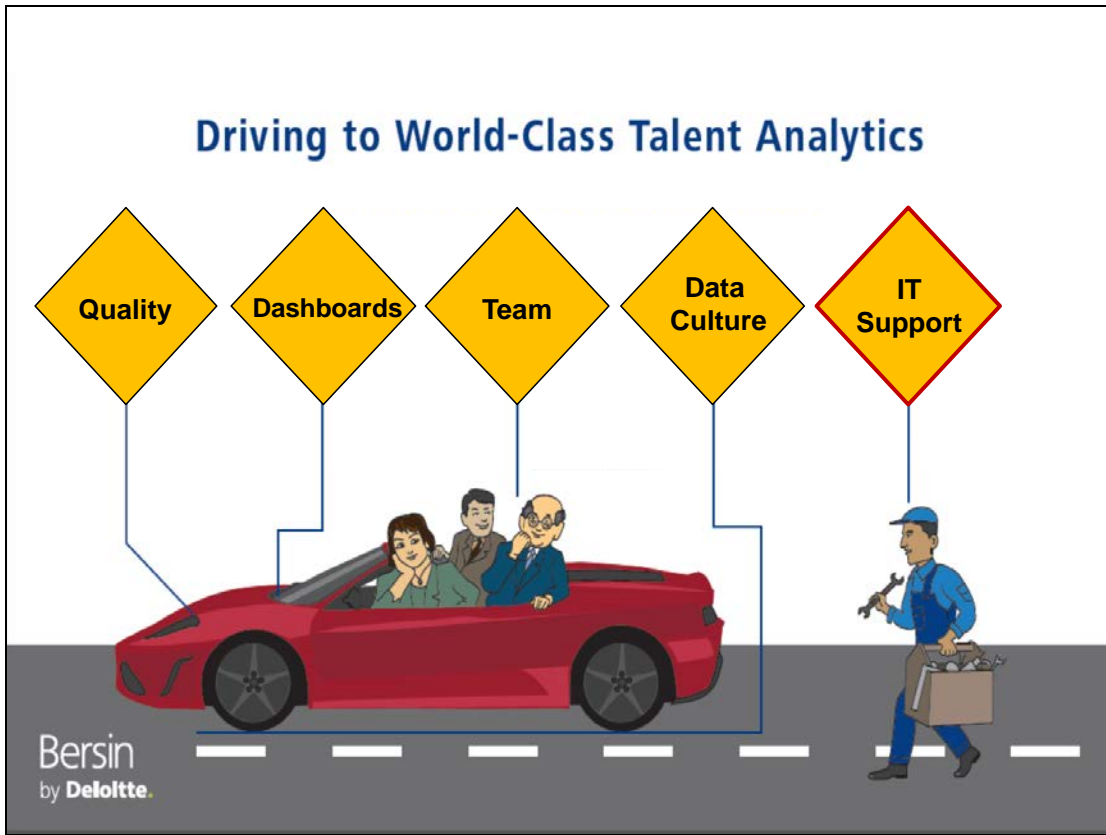
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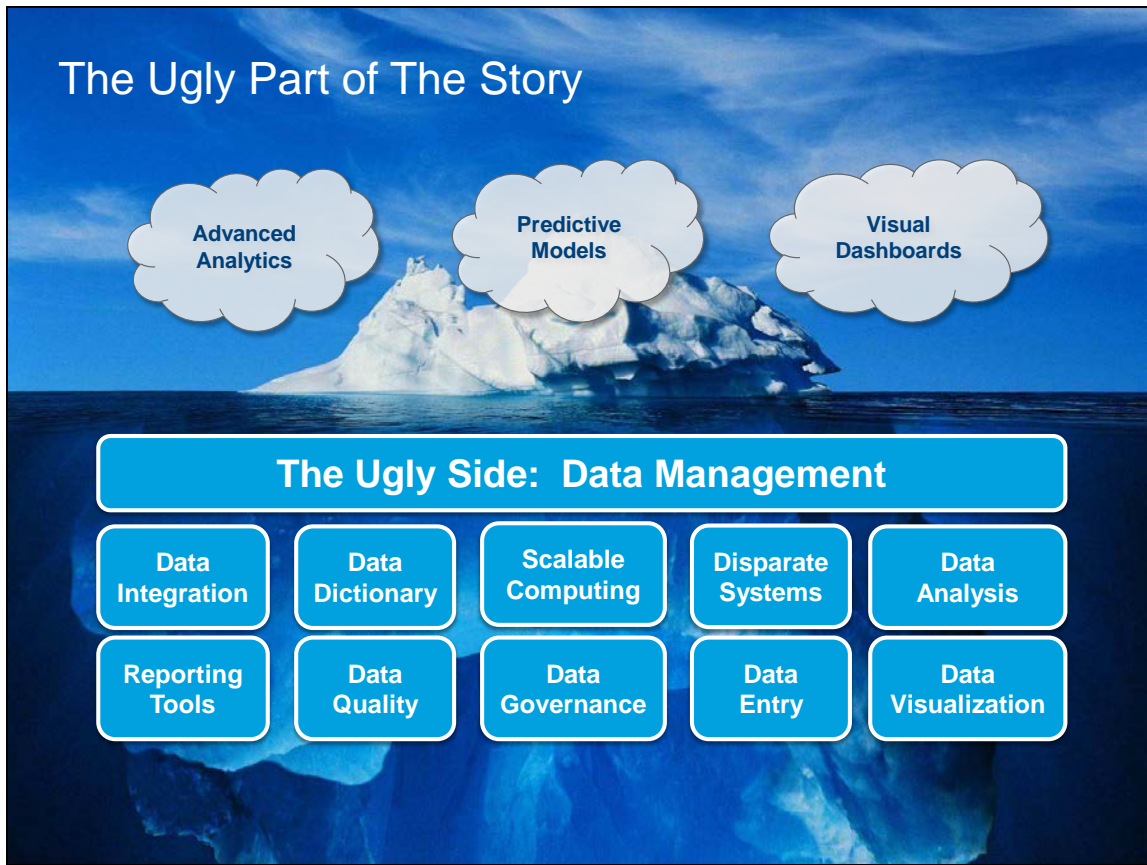
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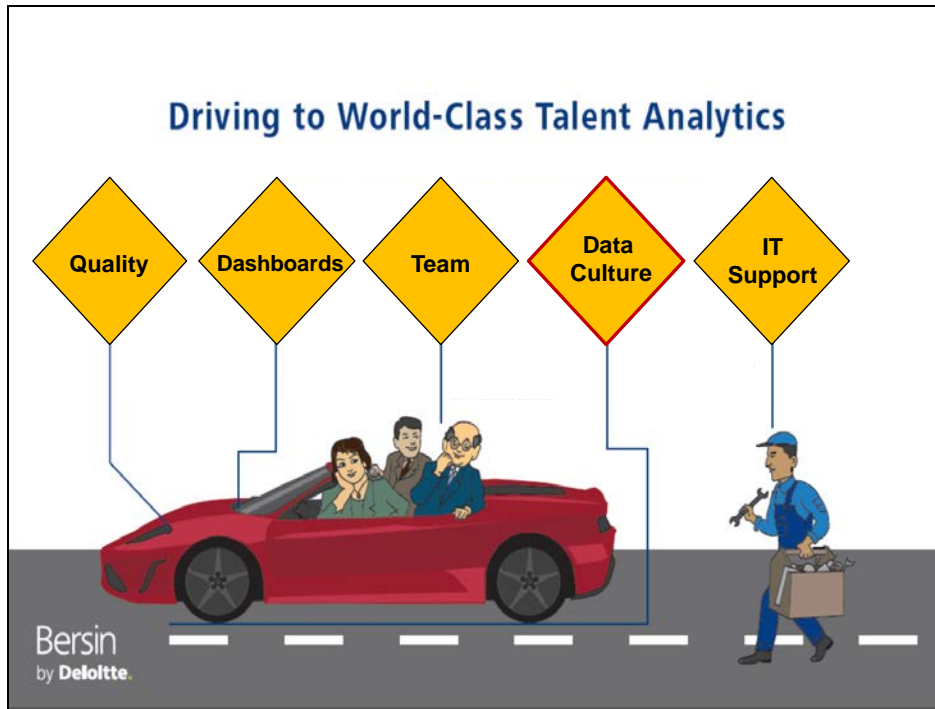
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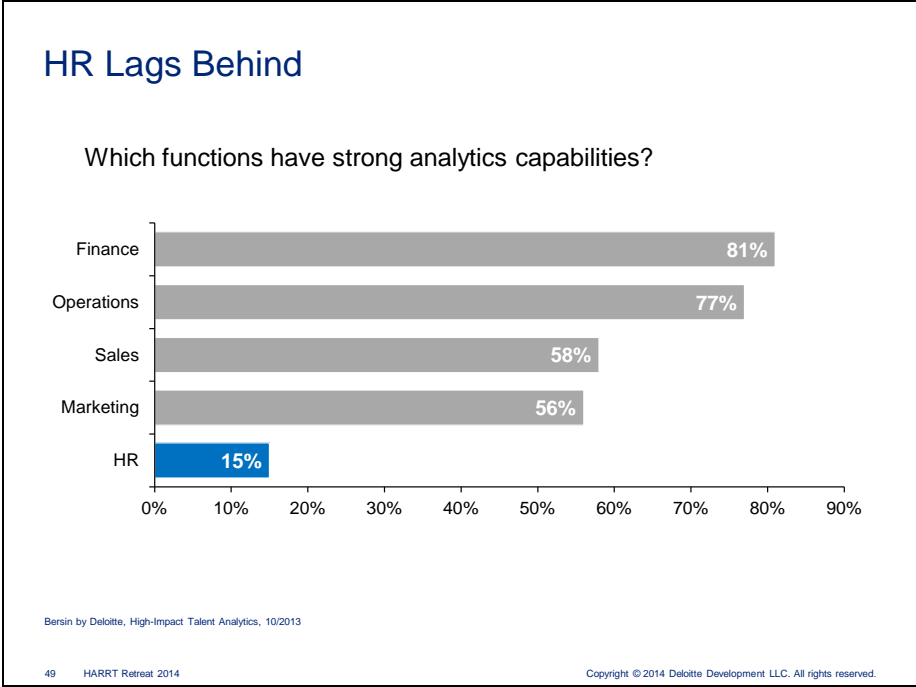
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Slide 49





Slide 51



**Discussion**

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Slide 52

## Where is Your Biggest Gap Today?

Data quality

Effective reports & dashboards

Analytics skill sets

Building connections with  
IT, Finance, external partners

Creating a data-driven culture

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Slide 53



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Slide 54

**First Steps**



- Hire a Leader with Vision
- Leverage Internal Talent and Outside Partnerships
- Start Small and Grow with a Few Small Wins

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Slide 55

## Develop Your Roadmap



Assess where you are today

Put together a 1-3 year plan

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Slide 56

## Thank You!

**Karen O'Leonard**  
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LinkedIn: KarenOLEonard

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HARRT 2014 Retreat  
Session 5  
Friday, November 7, 2014

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