HR BUSINESS PARTNERS

A PRACTICAL GUIDE TO BECOMING DATA DRIVEN

PLAYBOOK 4: SUSTAINABLE CHANGE

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PeopleInsight®
workforce analytics

THIS PLAYBOOK HAS 6 COMPONENTS

CONTENTS

The Playbook can be downloaded in its entirety, or each component can be downloaded separately.

Download at www.peopleinsight.com/DDHRBP

ABOUT THIS PLAYBOOK

Background

When it comes to Data Driven HR (DDHR), HR Business Partners (HRBPs) must:

- Focus on what's relevant to the business

- Develop their personal skills & competencies

- Adopt a capability mindset

- Ensure DDHR is not just a one-off project

This Playbook, *HR Business Partners - A Practical Guide to Becoming Data Driven*, will help HRBP teams accomplish these critical imperatives.

4 IMPERATIVES & AREAS OF FOCUS TO HELP HRBPs BECOME DATA DRIVEN

Background

1

HR & HRBPs must focus more attention on what's relevant to the business
When it comes to the People Plan, Ops will always have different objectives, drivers and issues than Sales - but there will also be common ground. Therefore, it is imperative that HRBPs have solid understanding of both corporate/ enterprise-wide people objectives, in addition to the specific objectives of the business units they serve.

2

HR & HRBPs must develop analytical and consultative competencies
It must be recognized and addressed that some HRBPs are more naturally analytical, business-savvy, data-driven and strategic than others. It's therefore becoming more commonplace that HRBPs build upon their transactional HR skills & experience, becoming change enablers and helping drive the people-side of business outcomes. This means articulating the opportunity and understanding the issue, consulting, driving decisions, planning & implementing change, and optimizing results.

3

HR & HRBPs must adopt a capability mindset - which goes beyond slick tools
Slick tools can flounder if they don't live within an environment - or capability - which supports their purpose. For an HRBP to be successful in Data Driven HR, there must be a framework, strategic focus and processes in place to ensure the relevant data is both captured and trusted, clarity in the role of the HRBP, and of course, visibility, realization and optimization of hard business results.

4

HR & HRBPs must implement data driven decision-making in a sustainable way
"Becoming Data Driven" implies change will occur - and this change must be sustainable and not just a one-off project. These 4 Areas of Focus must work in concert with one-another to ensure clarity of purpose, adoption and motivation for the future state, leadership support, a concrete plan for implementation, in addition to clearly defined, yet achievable success.

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1 HR & HRBPs must focus more attention on what's relevant to the business

2 HR & HRBPs must develop analytical and consultative competencies

3 HR & HRBPs must adopt a capability mindset - which goes beyond slick tools

4 HR & HRBPs must implement data driven decision-making in a sustainable way

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HR & HRBPs must implement data driven decision-making in a sustainable way

Don't Treat This As A One-Off Project

You Need To Build A Sustainable Capability And Organiz-ational Competency In DDHR

Use A Change Management Model Most Familiar To You

HR & HRBPs Must Implement Data Driven Decision-Making in a Sustainable Way

Becoming data driven is not a one-off project - it's about building a new way of approaching HR - one which is sustainable that builds and improves over time.

This means having clarity of purpose, building adoption and motivation for the future state, demonstrating leadership support around a concrete plan for implementation, and most importantly, having clearly defined and achievable criteria for success.

While there are many models for managing change, you should use the one you are most comfortable and proficient with - or possibly one you've already implemented internally.

If you don't have one at your fingertips, you will want to build a change approach which is guided by the model on the following page.

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HR & HRBPs must implement data driven decision-making in a sustainable way

Simple Change Management Model

See It		Own It		Live It		Outcome
Case for change	Committed Leadership	Clear What's in it for Me?	Concrete Plan	Tools in Place	Reinforcement	It's not urgent
Case for change	Committed Leadership	Clear What's in it for Me?	Concrete Plan	Tools in Place	Reinforcement	It's not real
Case for change	Committed Leadership	Clear What's in it for Me?	Concrete Plan	Tools in Place	Reinforcement	It's not worth it
Case for change	Committed Leadership	Clear What's in it for Me?	Concrete Plan	Tools in Place	Reinforcement	It's not going anywhere
Case for change	Committed Leadership	Clear What's in it for Me?	Concrete Plan	Tools in Place	Reinforcement	It's not possible
Case for change	Committed Leadership	Clear What's in it for Me?	Concrete Plan	Tools in Place	Reinforcement	It's not for long
Case for change	Committed Leadership	Clear What's in it for Me?	Concrete Plan	Tools in Place	Reinforcement	It's working!

The great thing is, if you've followed Playbooks 1, 2 and 3, you may already have many of these requirements dealt with.

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See It: Case For Change

o   You will want to communicate the urgency of your data driven HR projects - and how they tie to delivering hard business results for your LoB clients

o   Using your outputs from Playbook 3 - specifically Step 4 (Estimate & Articulate Value of Each Use Case) and Step 5 (Assess & Map Use Cases to a Decision-Making Framework to Help You Prioritize), you should meet with key people from your Line of Business, brief them on your work and seek their input.

   o   You will have to define who these "key people" from your Line of Business should be - it will be different in every organization but should probably include the VP or executive who leads that business unit

   o   You should look for support from the Head of HR, the Head of HR Business Partners, or the internal HR Champion for data driven HR

o   You will need to convince your Line of Business clients that these projects are both aligned with their strategic and operational goals, and juicy from a benefits perspective.

Convince Your Stakeholders & Impacted Partners That Change Is Needed and Helps Them Accomplish Their Goals

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See It: Committed Leadership

o Firstly, you should look to both leverage and solicit the direct support of any leader within the business who has articulated the need for evidence-based or data driven decision-making - whether this be your CEO, COO or CFO, the head of a business unit, and in particular, the Head of HR or Chief People Officer
  o This might be in the form of a strategic imperative in your 3 year plan like "become data driven" or by quoting the CFO from last month's all-staff meeting when she said "we need to improve overall productivity to ensure we stay competitive in our market"
  o Be creative, look for ways to build upon things already understood in your organization, and make a direct link to how data driven HR can help deliver tangible results

o Then, your goal is to convince your Line of Business client that data driven HR, and in particular, the projects which you have identified (3 x Do. 2 x Help. 1 x Fix) are important, need to happen and you have their full support.

Find Genuine Support

Ask These Leaders To Engage

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Say & Do

Be Specific At What You'd Like Them To Help With

o Once that's been done, you need to ask for their help in selling these projects and your initiatives, in clearing hurdles, in engaging in reviews and status meetings, and in holding you and others accountable for project execution.

    o Many leaders think it is good enough to be simply knowledgeable and "support" an initiative, but my experience tells me different. Often times, you need to be very specific and ask them to do something, ask them to be involved, articulate the behavior you are looking for them to demonstrate and the messages you'd like them to share.

    o A leader vocally supporting an initiative is easy - whereas inspiring a leader investing time and effort in getting things done will be harder, but will result in an initiative that has a much better chance of ongoing success.

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Own It: Clear What's In It For Me?

o The concept of "what's in it for me" really translates into motivation. What naturally motivates your colleagues and clients and how will your data driven HR projects help them?

o Building upon the Autonomy, Mastery & Purpose model from Daniel Pink's book Drive:
  o Autonomy - how can data driven HR help your clients increase the level of control they have in their work, or in accomplishing their goals? How can this initiative help them be more self-sufficient and independent?
  o How can data driven HR give your clients the ability to be better at what they do - and become more successful?
  o What is the link between smarter hiring decisions, retaining key talent and better people programs and your overall purpose as an organization - or Line of Business? How will this project help you accomplish this purpose?

o Thank goodness you identified your Customers, what's important to them and their requirements in Step 1 of Playbook 3!!!
  o You're welcome :) and you will now be prepared to hit all of their hot buttons in the attempt to get them highly engaged.

Create Motivation For The Future State

Think About How You Can Create Autonomy, Mastery & Purpose

Find Ways To Speak To Your Customers In Terms They Truly Get

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o You may need to repeat this exercise for a few different audiences or individuals to ensure data driven HR sticks.

o For instance:
   o The head of Talent Acquisition who will be critical in supplying you with recruitment data, yet possibly concerned about exposing recruiter productivity, success rates and candidate pipeline blockages
   o Your HRIS Analyst who will be critical in supplying you other data, but has 15 other projects on the go with your data extract being last in the list
   o Your Line of Business Hiring Managers who have long complained they aren't well equipped or supported in the recruitment process, and the data which you are presenting will expose their lack of proficiency.

o Answer the question for each audience, how will they individually see a benefit or how can you motivate them to be part of your success?

Realize That There Will Be Hurdles, Challenges And Pushback

Unearth These Barriers, Understand Them And Tackle As Appropriate

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**Think About
The 7Ps***

**Proper
Prior
Planning
Prevents
Pi$$
Poor
Performance**

Own It: Concrete Plan

When you have a concrete and credible plan for implementation, you will be taken seriously - and have a plan of action in getting data driven HR implemented and part of the fabric.

The plan shouldn't be a hundred-activity project plan that might be developed by a high-priced consultant - but it should clearly lay out:

o   The steps and tasks which need to accomplished over the short term - for this case, let's flesh out a 6 month view - with the understanding that as this six month phase is being completed, you will have to develop another plan for the next phase
o   The objectives, goals and/or outputs of the 6 month phase, and of the steps to get the phase completed
o   For each step, define the effort you will need to invest to complete the step, the length of time it will take and who will work on that specific task (i.e., Pat, 6 days of effort, between January 1 and January 31)

Finally, find your key stakeholders and gain their input and support. Ensure you've got access to the appropriate resources to get your project phase completed - otherwise you'll need to gain more alignment, and possibly rescope.

Don't start without a plan which has the support of your Champion(s) and key clients.

* Lifted from a wise old Serjeant Major I once knew, please excuse the salty language on P#5

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Live It: Tools in Place

Part of developing your plan will be to understand and define the requirements for the tools, resources and support mechanisms which need to be in place for implementation to be a success.

"Tools" which might be considered:
o Communications and Training Plans
o Briefing, working or training sessions to introduce and instruct impacted employees on what data driven HR should mean to them
o These 4 Playbooks
o Cheat sheets on the new reports, analytics, data points and metrics they will start to see
o Interpretations and instructions on thresholds and triggers - and how to respond
o Access to the reporting and analytical tools/platform
o Checklists, processes or standard approaches for sharing insights, obtaining input and contextual understanding
o Checklists, processes or standard approaches to driving a decision, implementing change and tracking benefits

You Must Provide "Tools" – Which Is A Loose Term – In Support Of The Change

Tools: Meetings, Training Sessions, Comms, Checklists, Cheat Sheets, Etc.

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Live It: Reinforcement

The final component of this simple change management methodology is Reinforcement.

Reinforcement should be extended to include defining success criteria, measuring results, harvesting benefits and celebrating success.

While the artform of reinforcement will be unique for you, your business and clients, there are five fundamentals you shouldn't forget.

1. Defining success criteria should not be done in a vacuum - you must engage stakeholders (senior level and the front-lines) in defining a jointly agreed picture of success.
2. At the individual and team level, the recipient of reinforcement and recognition has a personal and preferred style - use the approach which will elicit the best response to your recognition.
3. Reinforcement is about managing performance and ensuring you are accomplishing the goals you set out to accomplish. This might mean a course correction - a rescoping activity - or a redefinition of what is achievable. Just be timely, honest and upfront with your governance committee (See Playbook 3).

Jointly Defining Success

Measuring Results

Harvesting Benefits

Celebrating Success

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4. Remarkably, "Business Case Realization" is incredibly easy to ignore - in fact, we are often systematically forced to move onto the next activity before we have captured results - and metaphorically "banked the winnings". You must try and avoid this pitfall at all costs:
   o Remember, the only reason why you've been trusted to invest in data driven HR is to chase juicy business outcomes.
   o You've sold this initiative on a business case - so you must spend some time quantifying and counting your accomplishments and success - and sharing that with those that matter.
   o Simply determine the ROI of your initiative
      o On one side of the ROI equation you will articulate the "New Value" you have created through this initiative.
      o On the other side of the equation, articulate the Cost of the initiative (days effort in working this project can be converted to a daily internal loaded cost rate). You will use this as your denominator.
      o Subtract the Cost from the New Value and call the result your "Net New Value" - use this as your numerator.
      o Divide the Net New Value by Cost and multiply by 100.
      o You now have your Return on Investment for this data driven HR project.

If You Sell Your Solution On Benefits – Then Surely You Should "Realize" Said Benefits

Realization Can Be As Simple As Calculating Accurately, Then Telling Your Client You've Saved Them $x

Use An ROI Calculation

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ROI Calculation - Example

o Here's an example from a technology client of ours at PeopleInsight:
  - o The turnover of one specific Key Technical Role decreased by 25% in the first year after implementing analytics tools which gave managers deep visibility into their turnover – enabling them to segment on-the-fly.
  - o The VPHR directly attributed the impacts to having increased visibility.
  - o This resulted in a cost avoidance of approximately $750k for this year.
  - o The cost of investment was less than $25k.
  - o The Net New Value is $750k-$25k = $725k
  - o The ROI of this investment in data driven HR was:
    - o ($725k divided by $25k) x 100 = 2,900%
    - o Yes, 2,900%

:)

ROI Is The Universal Measure Of New Value Created By An Investment

Given This Is A Largely Untapped Area – The Benefit Pools Can Be Spectacular

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Feel Good About Your Success

Celebrate Progress & Share Success

5. Celebrate Success - my sense is that your Line of Business lead, Head of HR and CFO would be pleased with such a result and potentially approve a team pizza or something culturally appropriate.

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Bringing It All Together

When these 6 components are present and working together, you will have a better chance at implementing successful, sustainable change.

Case for change	Committed Leadership	Clear What's in it for Me?	Concrete Plan	Tools in Place	Reinforcement	It's working!

Your goal IS TO NOT IMPLEMENT a one-time project - this will force you to ram something in, cut corners and may leave a bad taste in some people's mouth.

Your goal IS TO IMPLEMENT a sustainable, iterative capability - one which is valuable to the business, and valued by your stakeholders.

Start small, think big, then scale fast when you can prove ROI.

> *Change is hard because people overestimate the value of what they have-and underestimate the value of what they may gain by giving that up.*
>
> **James Belasco and Ralph Stayer**
> **Flight of the Buffalo, 1994**

There's No Silver Bullet When Creating Sustainable Change

Consider These 6 Components When Developing Your Change Program

Start Small, Find +ve ROI, Think Big, Scale Fast

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THIS PLAYBOOK HAS 6 COMPONENTS

CONTENTS

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4 AREAS OF FOCUS TO HELP HRBPs BECOME DATA DRIVEN

Summary

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Summary & Thanks For Reading

This Playbook has been developed with one purpose - to help build the capability for data driven HR in businesses.

It's based solely on my first-hand experience as a consultant, a business partner to many technology organizations, an entrepreneur across a few different businesses, one of which was focused on helping organizations build sustainable change programs, and finally, as an all-in participant in the emerging field of people analytics.

It may not meet everyone's expectations. It may be too detailed in places, not so much in others - but it is a start because I truly feel that the success of people analytics at-large is constrained by the ability of HR Business Partners to use their HR, talent and productivity data to drive better business outcomes.

I also believe that the strong ability of one, or a small group, while directionally correct and stoic, is not sustainable.

That's why organizations need to build a capability - to plan, fund, engrain, lead, test, improve and unlock the potential that's trapped within their people data - across the board. This Playbook will help you do that. Select and implement the components that work for you.

My hope is that leading organizations will see the light and chase this largely untapped opportunity - with or without any help from this Playbook.

Just get started and if you need any help, you know where to find me.

Cheers

John

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