feature

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Evolving with the times: Tackling Turnover and other Workforce Analytics Challenges

What will be the top workforce analytics challenges of the new decade? Based on the flurry of activity and press on various topics, there are already some early contenders for top workforce analytics priorities:

- Exposing the power of "social" or organizational networks at work;
- Creating an actively managed and personalized employee experience;
- Addressing real-time opportunities for development and performance improvement;
- Unpacking the assignments, backgrounds, competencies, etc., that make leaders more successful; and,
- Linking diversity and inclusion efforts to their organizational impact.

At the same time, it is worth noting that some traditional topics show no sign of waning. Two such research areas are:

- Finding and attracting top and, in many cases, uniquely skilled, talent; and,
- Retaining high performers.

Perhaps, these topics stand the test of time because they are persistent challenges for organizations that will not go away, no matter what changes take place in the broader economy, labor markets, etc. In essence, the establishment and retention of an employment relationship provides substantive and significant value under most, if not all, circumstances. Few would argue this premise.

Just because a topic is "old" doesn't mean that there aren't new advancements to be considered. As a tangible example, we revisit the challenge of retaining high performers and look at two key approach advancements to explore opportunities for the upcoming decade.

Tried-and-True vs. Emerging Data Sources

While we've had a long history of examining indicative data and foundational survey information to predict both drivers of turnover and associated turnover risk, the next decade will see additional types of data – and related methods – become more mainstream for turnover (and other) analyses.

- **Tried-and-true data sources** generally rely on the existing data in the core HRIS, payroll databases and performance systems – with some extending into talent acquisition, learning, education, and other specific HR systems and, potentially, engagement and other survey datasets based on their relative availability, accuracy, and frequency.

- **Emerging data sources** aren't necessarily new, but they do tend to give rise to heated debate with HR analytics' audiences. Should you, or should you not, use: (1) calendar and electronic mail application data, (2) company or location badge data, (3) social media data and (4) biometric data?

Calendar and electronic mail applications – There are a wealth of data that we track as individuals in support of our work (and personal) activities. These data include information on where we have been, are and will be; with whom we connect; the purpose of our connections; etc.

Company or location badges – While these devices historically were used for efficient and secure entry into specific areas of an organization, badge data often can be repurposed (or enhanced) to provide insights into time spent at the office, specifics on location and interspersing while at work, etc.

Social media data – Whether internal or external to the organization, people voluntarily share information about themselves or the organization in which they work (to some subset of others or the general population), and these data also contain insights that can be quantified and parsed to test moments that matter or intentions to stay.

Biometric data – There are multiple methods for collecting this type of information, which can show reactions to various stimuli and activity not just for personal health insights but also for measuring our sense of safety, wellbeing and comfort in different work settings.

While these measurements are potentially possible and, to varying degrees, reliable, their usage may have unintended or negative consequences on engagement, inclusion and the like, not to mention the ethics debates on whether these data should be harnessed, even if employees are notified of the organization's intended purpose. Between these concerns and the inherent questions related to the efficacy of the end result, many organizations have been cautious in pursuing these types of data sources to date.

The reality is that, as people become more desensitized to the usage of these emerging data sources in other dimensions of their lives, this type of data usage will become more commonplace in the corporate environment as well. As such, HR likely will increase its own application of these data over time. This evolution, combined with the value of the potential insights, will lead to broader data consideration, and the conversation may focus more on protecting confidentiality (similar to how we already treat engagement data) and clarifying the intended purpose (to manage employee understanding and provide reassurance) versus whether to include these sources at all.

Traditional vs. "Innovative" Actions

Here too, traditional approaches are such for a reason. For example, there is persistent and strong evidence in turnover research that age, tenure with an organization, and career (or pay) level impact turnover likelihood – albeit they are inter-correlated in some cases. That said, these variables may not be practical from an action planning standpoint, as there are limitations on what an organization can, or should, pursue to address these types of core turnover drivers.

- *Traditional actions* focus on generalized assumptions about workforce preferences and are typically oriented to employees versus other types of employment relationships. Presumptions often are made that more is better versus analyzing the trade-offs of different actions on the net outcome in question. A classic example would be to assume that more pay will lower turnover. Depending on the drivers of turnover and the way pay adjustments are delivered, this intended outcome is by no means guaranteed and tends to come at a steep cost.

- *Innovative actions* can come in the form of "fast fail" tests of different potential interventions (still focused on evidence-based insights), "challenge sessions" for bottoms-up solution development and end-user ownership of their own retention drivers, as examples. All of these methods – and others – are designed to shift leaders from doing what they've always done and to engage non-traditional audiences in the process. As an example, we often see manager changes as a risk factor in our predictive turnover analytics. Rather than assuming that the number of manager changes should be monitored and minimized, an organization can engage employee cohorts at key moments that matter during a manager transition to test the types of activities and interactions that improve the retentive impact of these transitions.

To drive the maximum value from the data consolidation and more advanced analytics efforts to which HR functions aspire (if not currently undertake), it will be critical to act on the evidence differently as well. Yes, the evidence should allow HR to be more confident and efficient in its decision-making process. Equally, it should challenge us to look beyond traditional solutions to ensure that we consider innovative actions to provide the most value to the organization.

Evolving Approach to Workforce Analytics

A lot might change in the coming decade, and we explored two potential advancements here in the context of turnover research:

- *New data sources* facilitated by accessibility of data and increasing insensitivity – if not acceptance – of broader data usage, and
- *New and innovative actions* based on non-traditional idea generation and untapped opportunities for change.

It should be noted that there are other factors that also will influence HR's analytics agenda over the next decade, including:

- *New workforce challenges* based on changing fundamental employment relationships, e.g., direct employees, independent contractors, third-party providers and joint ventures;

- **New HR priorities** stemming from further globalization, diversity, and internal "customer" expectations for personalization; and,
- **New analytic methods** made more mainstream through the power of technology and increasing practice of predictive analytics in HR.

With all of these new possibilities, we are still likely to face some of the same challenges, given the fundamental principles of labor economics, human behavior, and organizational design. As such, we equally need to be prepared to raise our game in analyzing and addressing traditional HR challenges in new ways.

About the Authors

Helen Friedman is the CEO of Merit Analytics Group LLC, which she founded as a women-owned business in 2017 after more than 30 years of working in HR consulting. Her goal for the organization was to make talent analytics accessible to all HR professionals – focusing on core skill building and opportunities to embed evidence as a foundation for effective HR management through a knowledge-transfer-centered support model. Her prior tenure has included global leadership for talent analytics consulting and technology services where she focused on developing intellectual capital, leading the largest and most complex client engagements and tailoring technology solutions to meet unique client needs. Friedman's work in the field of talent analytics spans all major industries and work areas, including workforce planning and optimization, talent-related dashboards, labor market analysis, and predictive/prescriptive analytics. She is an established thought leader who has spoken regularly at national conferences and has published extensively with credits in well-known media outlets, including *The New York Times* and the *Journal of Organizational Excellence*.

Anna Marley is the COO and Market Leader at Merit Analytics Group LLC. She has over 15 years of diversified analytics experience and specific thought leadership in workforce-related analytics based on her wide range of evidenced-based workforce management engagements – from examining labor dynamics and building workforce dashboards to developing predictive and prescriptive statistical models. She differentiates her approach through her understanding of organizational business and HR strategy, which leads to more aligned, practical, and effective solutions for clients. Marley has worked with large-scale employers across several industries, which is a testament to her versatility and cross-industry knowledge. Over her years in consulting, she has had both direct consulting responsibilities and global management roles for service development, including leading efforts to build proprietary technology to support workforce analytics and planning.

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