PEOPLE ANALYTICS

CASE STUDY

COLLECTION

9 Examples of organizations that leverage the full potential of People Analytics

AIHR ACADEMY

People Analytics Case Studies with Business Impact

People Analytics is a hot topic in HR. Being an emerging field it's important to show the value it can deliver to organizations.

In this case study collection we have collected some of the best People Analytics case studies we've come across in the past two years. Each one connected to a specific business imperative.

You can find the original publication of each case study in this article.

1. CREDIT SUISSE
Saving money by predicting who will quit

2. BEST BUY
Relating store income with engagement

3. EXPERIAN
Getting ahead of employee attrition

4. FMCG RETAILER
Testing employee training effectiveness

5. E.ON
Tackling employee absence
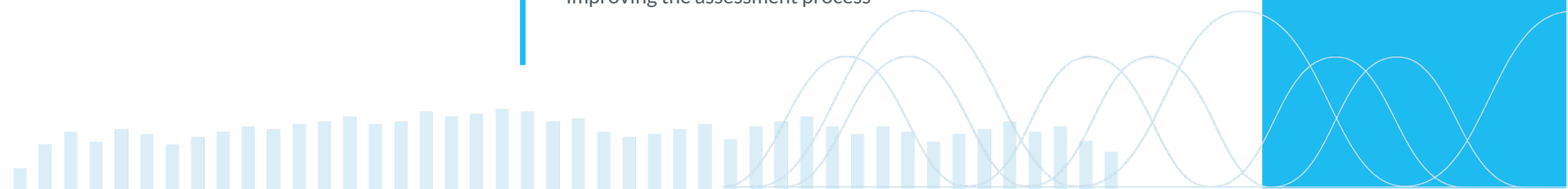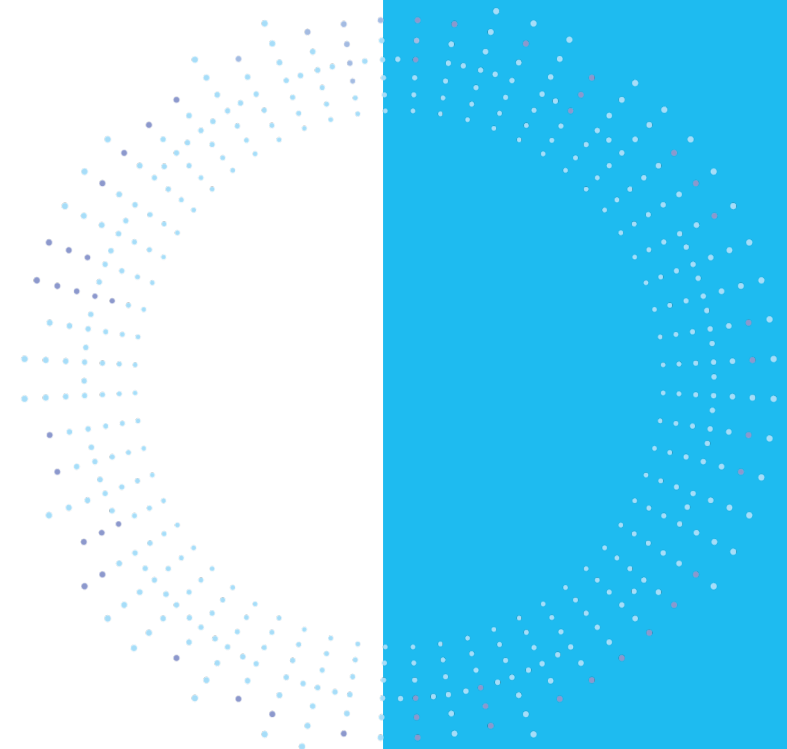
6. SHELL
Employee engagement

7. UNILEVER
Automated listening during a hostile takeover

8. CISCO
Opening a new office

9. ROLLS-ROYCE
Improving the assessment process
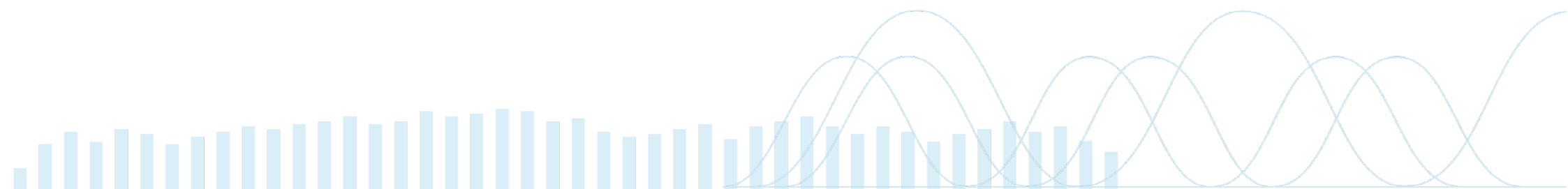
1. CREDIT SUISSE
Predicting who will quit

On March 13 2015, the Wall Street Journal published an article titled: "The Algorithm That Tells the Boss Who Might Quit". The article explored how Credit Suisse was able to predict who might quit the company. It was one of the first examples of the now very popular employee churn analytics.

Not only were the analysts at Credit Suisse able to predict who might quit, but they also could identify why these people might quit. This information was provided anonymously to managers so they could reduce turnover risk factors and retain their people better.

In addition, special managers were trained to retain the high performing employees who had a high flight risk. In total, this program saved Credit Suisse approximately $ 70,000,000 a year.

BUSINESS IMPACT:

Approximately $ 70,000,000 in savings per year by retaining high performing employees

2. BEST BUY
Competing on Talent Analytics

Another great HR analytics case study of people analytics at work was published in the Harvard Business Review. In an article titled Competing on Talent Analytics, the authors describe their research in multiple large companies in the US.

They specifically researched the relationship between engagement and financial performance. Engagement is often seen as the holy grail of HR – but its impact is hard to measure.

The authors describe that some organizations "can precisely identify the value of a 0.1% increase in engagement among employees in a particular store." They take the example of Best Buy, where a 0.1% increase in engagement results in over $ 100,000 in annual operating income per store.

The significance of this relationship motivated Best Buy to make employee engagement surveys quarterly rather than annually. The full article can be found here.

BUSINESS IMPACT:

0.1% increase in employee engagement results in over $ 100,000 in annual operating income per store
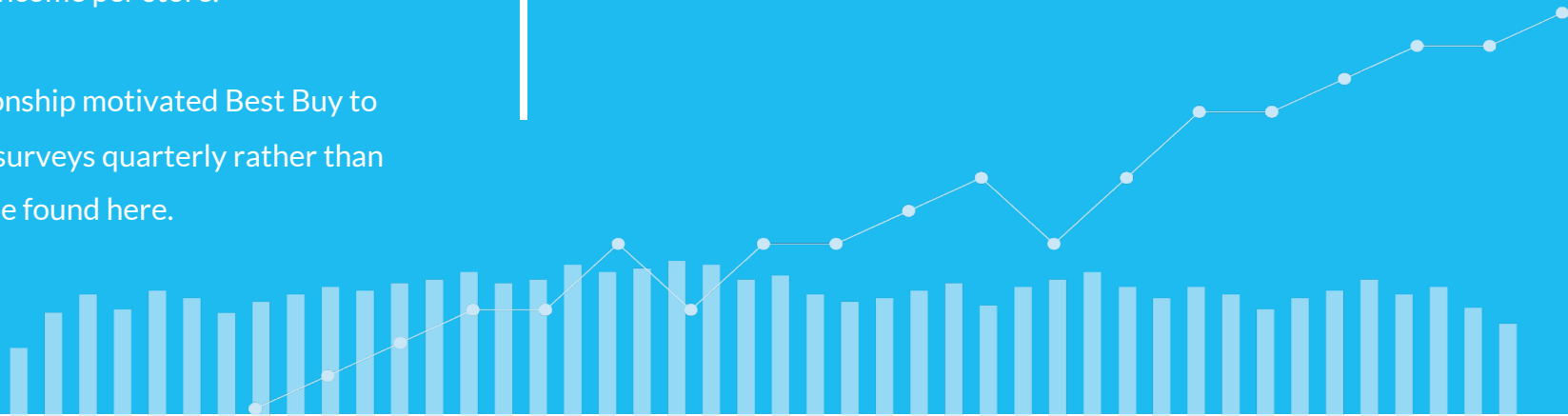
Turnover at Experian

Employee attrition at Experian was a problem. The company was facing levels of turnover that were 3-4% higher than they wanted it to be.

By building a predictive model that included 200 attributes, including team size and structure, supervisor performance, and length of commute, they were able to predict flight risk.

An example risk factor was teams of more than 10 to 12 people. The analytics team also identified flight risk triggers: when someone moved further away from the office, this would increase immediate flight risk.

The model was rolled out in multiple regions – with slight differences to the predictive algorithm. These insights, combined with good management practices, reportedly resulted in a drop in attrition of 2-3% over the past 18 months with an estimated saving of $8,000,000 to $10,000,000.

BUSINESS IMPACT:

Estimated savings of $8,000,000 to $10,000,000 over the past 18 months
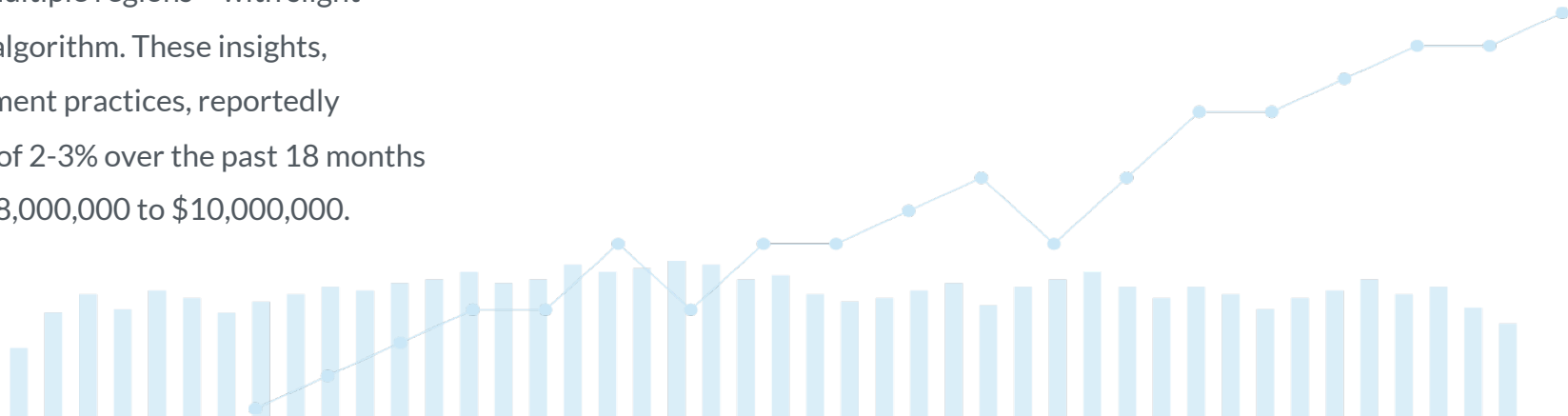
4. FMCG RETAILER

A/B Testing Employee Training

A brief case study is presented in an article written by Tony Brugman and Rob van Dijk from their own consulting work.

The company was a large Dutch FMCG retailer that used people analytics to analyze the effects of training. The analysts found that training shop personnel had a positive impact on the shop's financial performance. This was measured through A/B testing. In the first year alone, the ROI of their training program was 400%

BUSINESS IMPACT:

An ROI of 400% on training programs in the first year
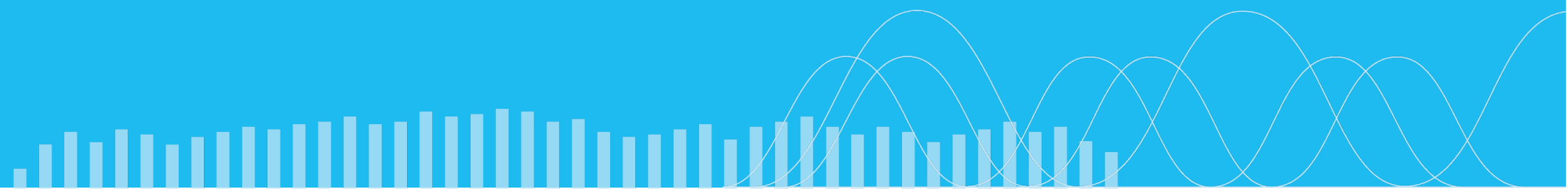
Sick days at E.ON

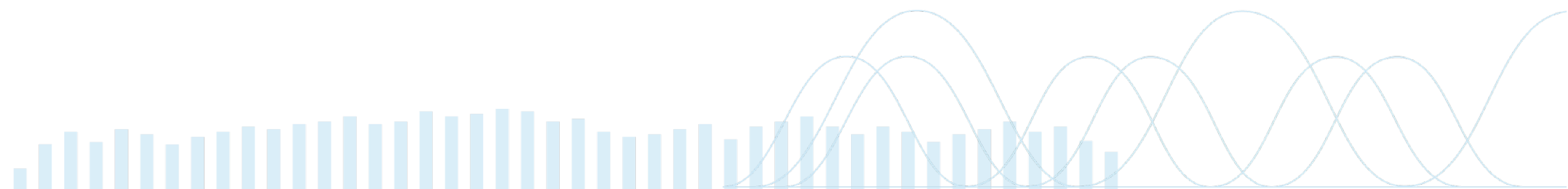People analytics also helped E.ON tackle employee absence. Absenteeism in this German 43,000 + people energy company has risen above benchmark.
The analytics team formulated 55 hypotheses, tested 21 of them and validated 11.

One of the examples written in the report was that selling back untaken holiday did not increase absenteeism. What did increase absence was a lack of a long holiday somewhere during the year, or not taking a day or two once in a while during the year. This insight was communicated to managers to improve holiday approval policies.

BUSINESS IMPACT:

Improved their understanding of the causes of absenteeism and reached effective means to reducing the latter.

Engagement at Shell

At Shell, engagement was linked to superior business performance, through improved safety practices.

A 1% increase in employee engagement resulted in a 4% drop of 'recordable case frequency', a key industry safety standard. Safety performance was in turn directly related to business performance.

BUSINESS IMPACT:

1% increase in employee engagement resulted in a 4% drop of 'recordable case frequency'
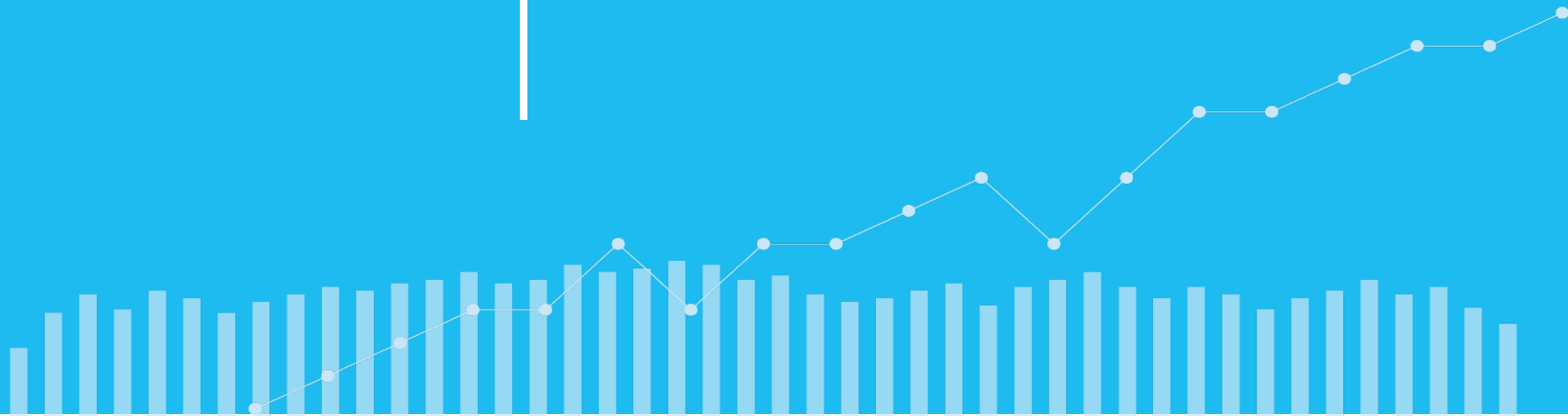
Unilever: automated listening during a hostile takeover

When Kraft Heinz launched a hostile takeover bid in early 2017, Unilever's workforce analytics team showed that analytics could also be deployed in times of crisis.
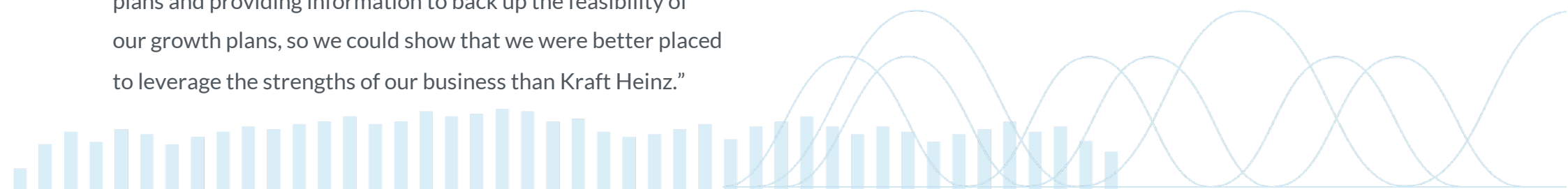
The team analyzed networks in the organization, and create models to come up with potential cost reductions.

In addition, the team was able to track the employees' moods and attitudes, which enabled them to see how employees were reacting to Unilever's defence strategies. These insights directly helped decision-making processes during the crisis.

According to Clement, vice-president of HR, "the information we provided helped both in putting together cost reduction plans and providing information to back up the feasibility of our growth plans, so we could show that we were better placed to leverage the strengths of our business than Kraft Heinz."

BUSINESS IMPACT:

Improved the design and implementation of cost reduction and growth plans and subsequently more effectively leveraged the strengths of their business

8. CISCO
Opening a new office by Cisco

Cisco has used demographic data to identify where they can best open up new offices. By combining various data, including current usage rates of office space, cost and availability of key talent, and availability of graduates from universities allowed them to expand in areas where there were fewer larger players competing for the same talent.

In addition, when selecting a new office, Cisco made use of this same data to find locations where employees with relevant qualifications were available and abundant.

BUSINESS IMPACT:

Expanded their market share in areas with fewer larger players competing for the same talent; improved their search for locations abundant in employees with relevant skills
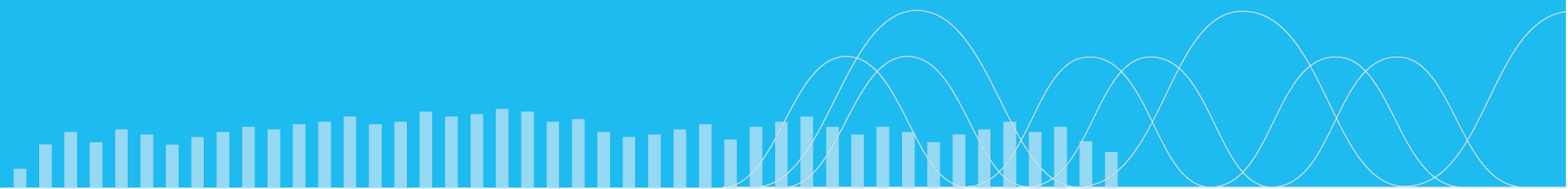
Improving the assessment process

Most leading employers rely on very similar same assessment tests in their recruitment processes. This leads to disengagements amongst candidates and high drop-out rates.

Rolls-Royce enlisted Aon to help them reduce their drop-out rate by implementing a much shorter, more engaging assessment that reliably identifies the most talented and high-potential candidates.

With this improved and refreshing experience, Rolls-Royce managed to increase the registration for their online tests from 74% to 96% for their 'business stream' applicants and from 81% to 95% for their 'engineering stream' applicants.

Overall, 98% of applicants that registered for online tests completed all of them.

BUSINESS IMPACT:

By using a shorter, more engagaing assessment, the completion rate of candidates increased to 98%
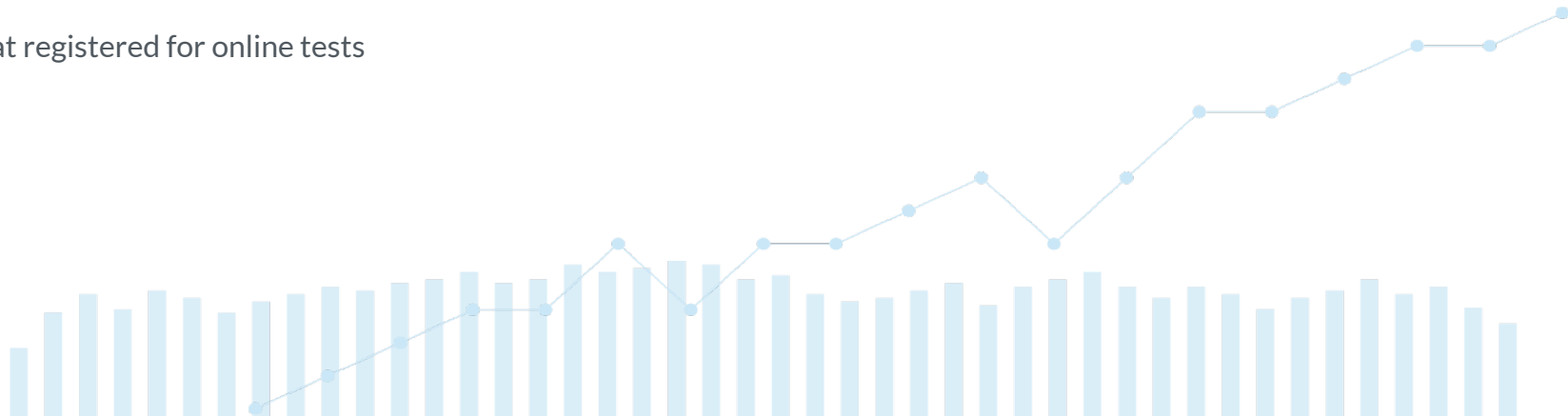
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