



Balancing Evidence and Intuition: Aligning HR Analytics to Business Objectives

Tashi Erdmann, HR Analytics Manager
Linda van Leeuwen, HR Analytics Analyst

Definitions & Cautionary Note

Reserves: Our use of the term “reserves” in this presentation means SEC proved oil and gas reserves.

Resources: Our use of the term “resources” in this presentation includes quantities of oil and gas not yet classified as SEC proved oil and gas reserves. Resources are consistent with the Society of Petroleum Engineers (SPE) 2P + 2C definitions.

Discovered and prospective resources: Our use of the term “discovered and prospective resources” are consistent with SPE 2P + 2C + 2U definitions.

Organic: Our use of the term Organic includes SEC proved oil and gas reserves excluding changes resulting from acquisitions, divestments and year-average pricing impact.

Shales: Our use of the term ‘shales’ refers to tight, shale and coal bed methane oil and gas acreage.




Underlying operating cost is defined as operating cost less identified items. A reconciliation can be found in the quarterly results announcement.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this presentation “Shell”, “Shell group” and “Royal Dutch Shell” are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this presentation refer to companies over which Royal Dutch Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to “joint ventures” and “joint operations” respectively. Entities over which Shell has significant influence but neither control nor joint control are referred to as “associates”. The term “Shell interest” is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in a venture, partnership or company, after exclusion of all third-party interest.

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements.

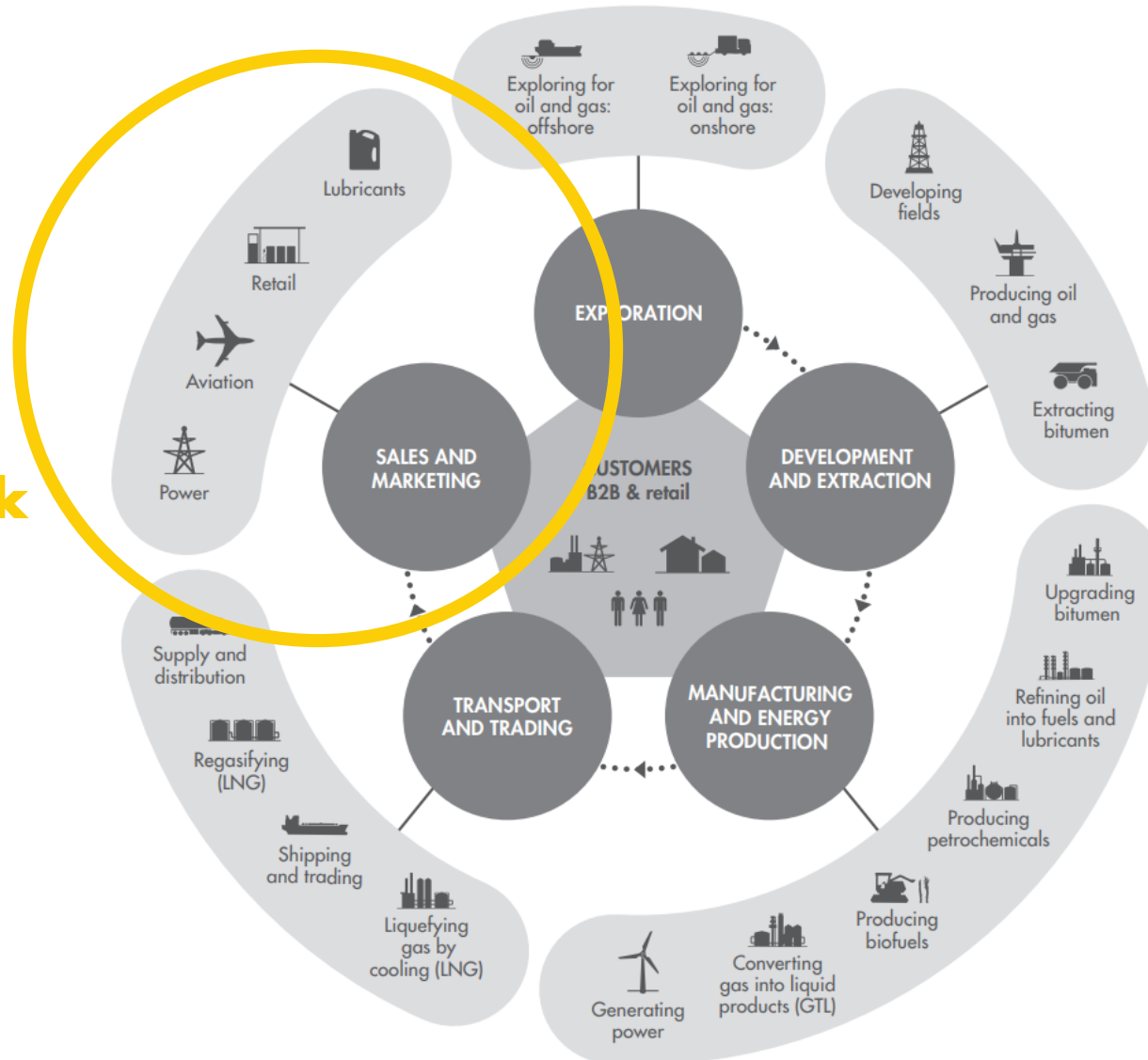
Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “objectives”, “outlook”, “plan”, “probably”, “project”, “risks”, “schedule”, “seek”, “should”, “target”, “will” and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this [report], including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Royal Dutch Shell’s 20-F for the year ended December 31, 2016 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward looking statements contained in this presentation and should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation, **05 JUNE 2018**. Neither Royal Dutch Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation. This presentation may contain references to Shell’s website. These references are for the readers’ convenience only. Shell is not incorporating by reference any information posted on www.shell.com. We may have used certain terms, such as resources, in this presentation that United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website www.sec.gov.

AGENDA

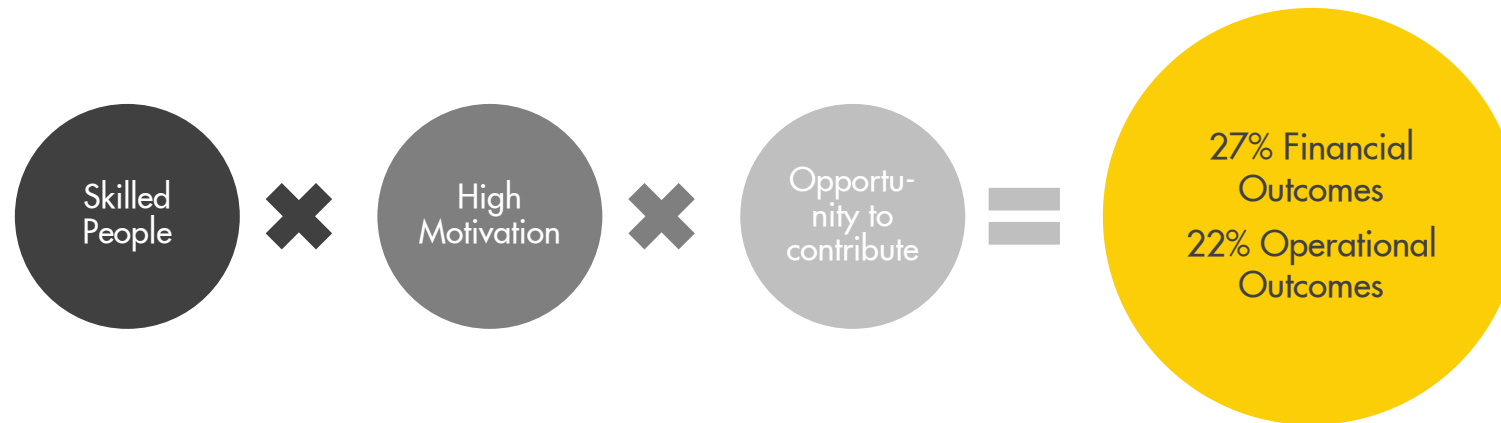
-  Intro – About HR Analytics in Shell
-  Project Spark – Leveraging one of our greatest assets: *Our People*
-  Questions & Answers

SHELL

Project Spark



THE BUSINESS CASE FOR HR AND HR ANALYTICS



HOW DOES HUMAN RESOURCE MANAGEMENT INFLUENCE ORGANIZATIONAL OUTCOMES?
A META-ANALYTIC INVESTIGATION OF MEDIATING MECHANISMS
Academy of Management Journal, 2012, Vol. 55, No. 6, 1264–1294.

HR ANALYTICS

THE TRANSITION FROM BELIEFS TO EVIDENCE

Many **HR practices** are currently based on **experience, intuition** and **beliefs**.

Analytics supports a transition towards evidence based HR.

Evidence does not replace but **supplements intuition, experience, and beliefs**.

Evidence strengthens but puts boundaries on the narrative.

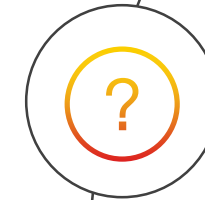


WITHOUT A STORY, ANALYTICS IS NO EVIDENCE

In relation to Human Resources, HR Analytics aims to answer the questions: **Why?** and **So What?**

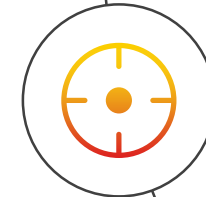
WHY?

Understand drivers of employee performance, and derive actionable insights



SO WHAT?

Understand impact of employees on business performance, and (help) prioritize actions accordingly



MEET THE TEAM



From left to right

Esther Bongenaar, MSc – VP HR Data & Analytics – Econometrics
Willeke Rovers – PA to EVP HR Strategy – HR management
Kay Oostra, MSc – HR Analytics Analyst – Offshore Engineering
Shannon Caron, Msc – HR Diagnostics Advisor – Org Behaviour Mgt
Sathi Banerjee, Msc – Leadership Assessment Lead – Psychometrics
Ben Hawkes – Selection Assessment Lead – Psychometrics
Tashi Erdmann PhD – Manager HR Analytics – Econometrics
Sue Lam PhD – Manager HR Diagnostics – Psychometrics
Harrie van Aggelen - HR Data Quality & Surveys – Data Expert

Not in picture

Emma Meuleman, Msc – HR Diagnostics Advisor– Org Behaviour
Linda van Leeuwen, MSc – HR Analytics Analyst – Econometrics
Lei Pan PhD – HR Analytics Consultant – Economics

TURNING QUESTIONS INTO ACTION

Which **questions?** What
data? Which **rules?** What
insights? Which
actions?



REQUEST



REVIEW SCIENTIFIC FINDINGS



IDENTIFY, COLLECT & MAP DATA



ANALYSIS



DISCUSSION



ACTION

PROJECT SPARK

LEVERAGE ONE OF OUR GREATEST ASSETS: **OUR PEOPLE**

Improve the way we hire, develop and reward

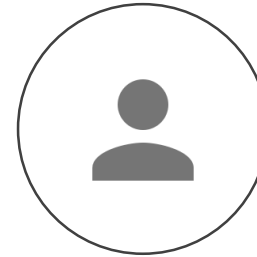
MEET THE TEAM



JONATHAN CHAN
Sales Excellence
Project Manager



SHARLENE MALENICA
Direct Sales
Excellence Lead



FELIPE PINO PAZOS
GSOM & Sales
Productivity Advisor



VELAPPAN MOHANAN
GC OTC Performance
Analyst



CLAUDIA M SCHLIPP
Senior Talent Advisor GC



CLAIRE FINNIE
Global Policy
Advisor Downstream



LINDA VAN LEEUWEN
HR Analytics Analyst

COLLABORATION HR & BUSINESS

03 /17

RESEARCH

CONCEPTUAL MODEL

05 /17

DATA IDENTIFICATION

DATA ACQUISITION

07 /17

SURVEY DESIGN

ANALYSIS

09 /17

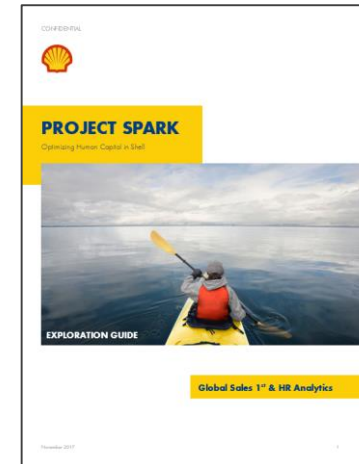
SURVEY

11 /17

RECOMMENDATIONS

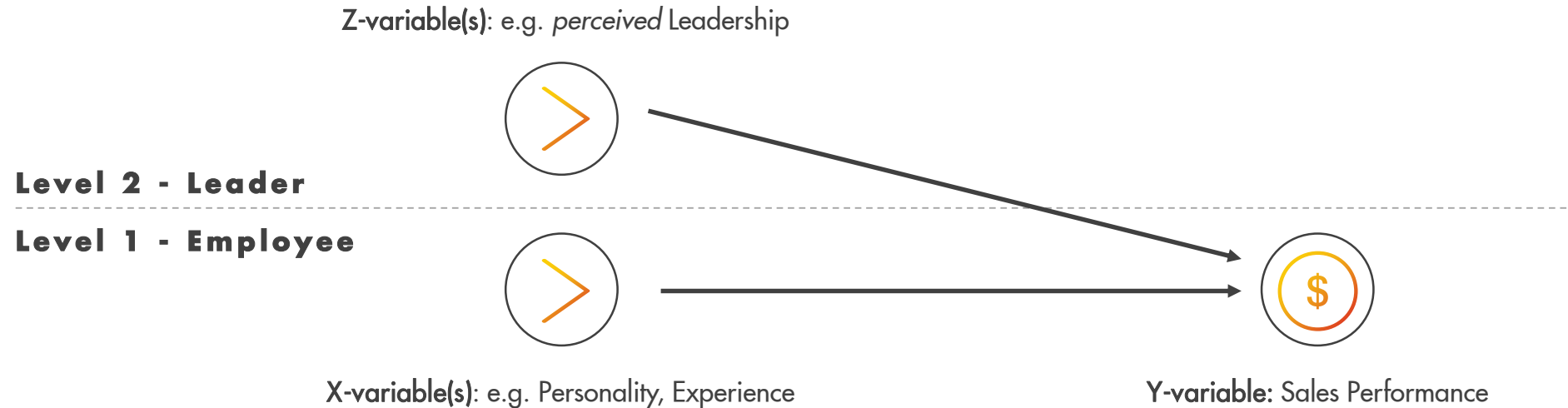
REPORT

ACTION



- Organisational Design
- Target Setting
- Talent
- Learning
- Recruitment
- Leadership Development
- Reward & Performance Mgmt.
- Diversity

STATISTICAL MODELLING



Assuming only 1
X-variable, and
only 1 Z-variable



Without interaction

$$Y_{ij} = \beta_{0j} + \beta_{1j}x_{ij} + \varepsilon_{ij}$$

$$\beta_{0j} = \gamma_{00} + \gamma_{01}z_j + u_{0j}$$

$$\beta_{1j} = \gamma_{10} + u_{1j}$$

With interaction

$$Y_{ij} = \beta_{0j} + \beta_{1j}x_{ij} + \varepsilon_{ij}$$

$$\beta_{0j} = \gamma_{00} + \gamma_{01}z_j + u_{0j}$$

$$\beta_{1j} = \gamma_{10} + \gamma_{11}z_j + u_{1j}$$

WHY LEADERSHIP MATTERS

Among all the drivers, **Team Leadership** is one of the strongest drivers of **Sales Performance**. For a Leader, it is important to give **feedback** that helps to improve performance (ie. **coaching**).

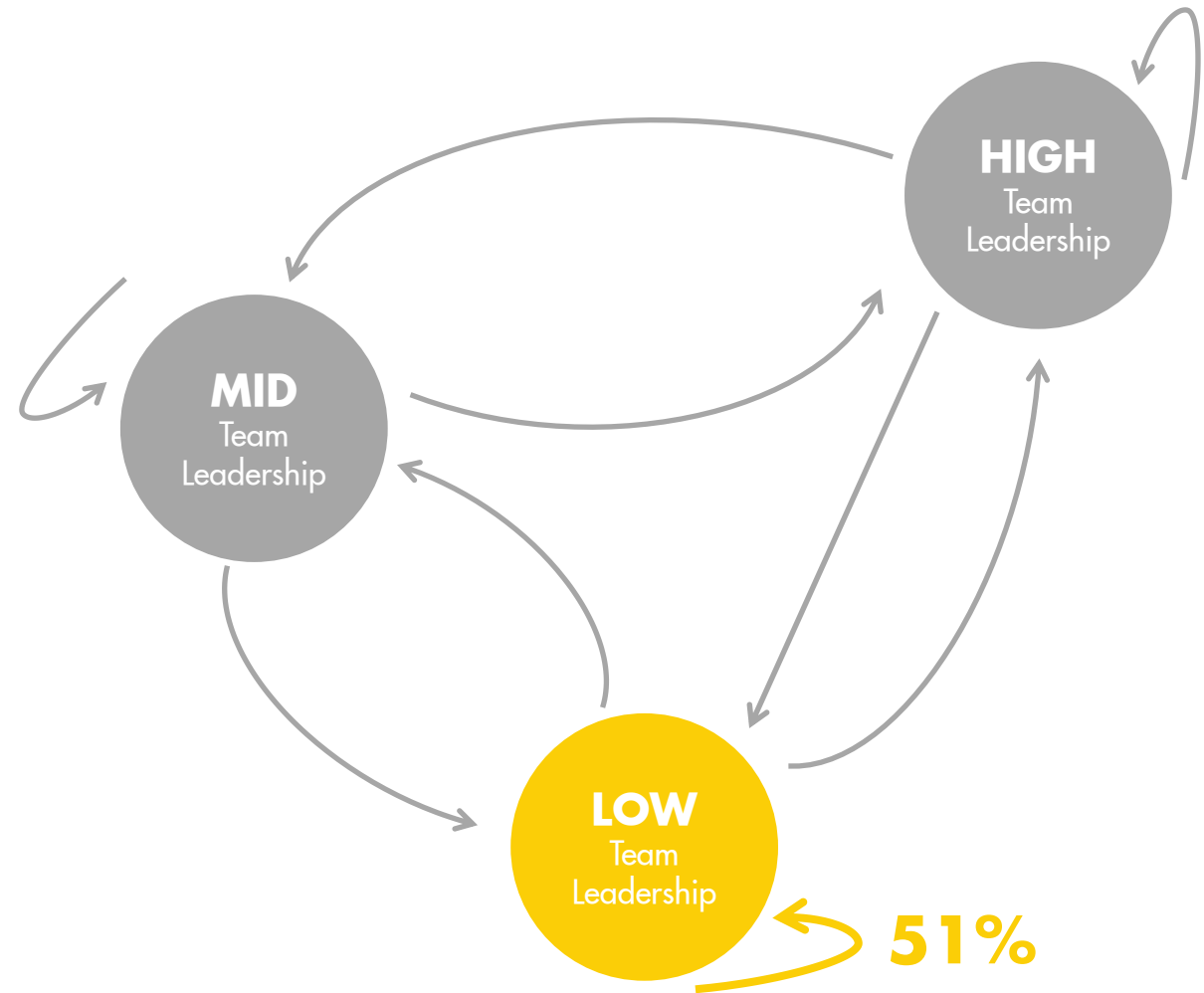


* Shell People Survey

FOCUS ON LEADERSHIP DEVELOPMENT

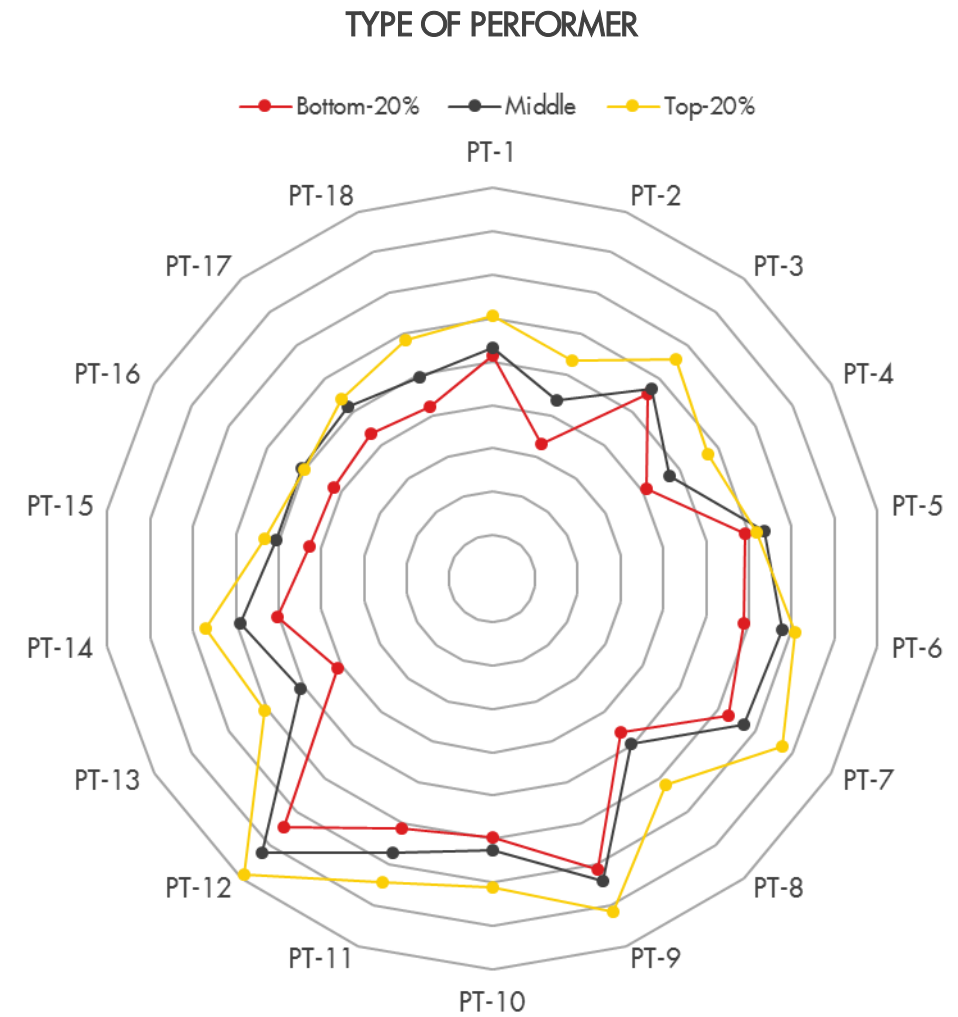
With **LEAD**, Shell has a world-class leadership development program* in place. **LEAD** is helping to reinvent leadership development, to ensure leaders at all levels can develop and build capability both in themselves and their teams which in turn will drive engagement, and improve business and safety outcomes.

* Recognized externally by i4cp (Institute for Corporate Productivity) as a recipient of its Next Practice 2018 Award.



THE ROLE OF PERSONALITY

Among all the drivers, some **Personality Traits** are strong drivers of **Sales Performance**.

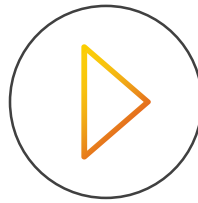


KEY TAKEAWAYS



COLLABORATION

Collaborate closely
with the business to
generate *business
value*



COMMITMENT

After leadership approval,
it is important for leaders
to commit to its own
involvement and
willingness to allocate
resources



CHANGE

Integrate change
management in
early stage

