IBM’s Evolution of People Analytics

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Today’s agenda

- People Analytics – Enabling the New HR
- Act I – Business Impact Builds Momentum
- Act II – Personalization at Scale
- External Forces Changing the Landscape
- “Start Now!” Activity
The world of work has changed. Forever.

Internet Era

Global standardized processes

Digital Era

Mobile, social, cloud

Big data and AI
## IBM HR is transforming around systems of engagement and the employee experience

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Act I: Business impact builds momentum

- **Attract**
  - CHIP onboarding
  - Find Your Fit

- **Engage**
  - Social Pulse: IBM employee social media analytics
  - Studio-E: engagement analytics solution

- **Develop**
  - Mgmt Development Impact
  - Prof. Development Index
  - Seller Success Profiles
  - Skill Inference
  - Skill Value Framework

- **Retain**
  - Deep Skill Adder
  - Employee Value Segmentation
  - Proactive Retention
  - Talent Playbook

- **Grow**
  - Blue Matching
  - Gearbox
  - Go Organic
  - Predictive Leadership
  - Pre-management Assessment

> $750M net benefit
Proof Point: Social Pulse. IBM was able to gain insight to an employee concern and act quickly to remedy the situation

Example: Early detection of events

Yahoo Finance exclusive: IBM banned Uber for employees, but quickly reversed course

- Petition on Connections identified within 9 hours
- Diane Gherson responds within 16 hours
- Employees thank Diane for responsiveness
- Leads to increase in employee engagement

Proof point: Proactive Retention

- **Business Opportunity:**
  Business Unit/Market attrition > 8 pts. above target.

- **Hypothesis:**
  Expected returns from targeted compensation investments versus cost of attrition drives significant ROI.

- **Model:**
  Use historical data to predict an employee’s propensity to leave and investment requirements.

- **Action:**
  Provide targeted, rolling base pay uplift to employees with key skills and high propensity to leave.

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### Outcomes

- $333M in gross benefit
- 214% ROI
- Highlighted in IBM investor briefing
- High-value patent
One size does not fit all
Act II: personalization at scale

- Attract: Watson Candidate Assistant
- Hire: Watson Recruitment
- Engage: Sentiment Analysis
- Retain: Cognitive Talent Alerts
- Develop: Your Learning
- Grow: Watson Career Coach
- Serve: Chatbots

Employee
Manager
HR practitioner
Ask a question

Identify job opportunities and learning needs

Choose the right career path

Proof Point: MYCA - coaching for the modern career

IBM - Not for Distribution
AI is helping managers make more informed compensation decisions aligned with performance and skills.
Business Outcomes

Exceptional candidate experience

Time to hire, quality & budget

New hire productivity

Vibrant career

Upskill & reskill

Retention of key talent

Irresistible employee experience

Offerings

Talent Acquisition

- Watson Candidate Assistant
- Watson Recruitment, Cognitive interviewing
- Proactive Sourcer
- New hire queries

Skill Development

- Personalized Learning
- Cogni-Pay
- Blue Match
- ACE Feedback
- Watson Career Coach

Employee Care

- Employee Chatbots
- Watson Virtual Agent for HR
- Employee Sentiment Analysis
- Cognitive Talent Alerts

Augmented Intelligence Layer

Enterprise HR Systems

Cloud Infrastructure
How to get started? Identify the right business opportunity.

**Strategic importance**
- P&L impact & scale
- Line leader imperative

**People-related actions**
- Actions to influence outcomes
- Clear action owners
- User-centric

**Outcomes**
- ROI based
- NPS
- Solution attribution
Consider Relevant External Forces

External forces are secular changes in the global technology, workforce and business environment that will impact individuals, companies and societies.

**TECHNOLOGY**

1. Automation / AI
   ...eliminates, shifts or creates work activities ... impacts range from displacement, to job augmentation, to growth in the demand for certain jobs, to the creation of new types of jobs.

2. Reputational Risk
   Risk of loss resulting from damages to a firm's reputation following an adverse event (e.g. lost revenue; increased operating, capital or regulatory costs; or destruction of shareholder value)

**SKILLS**

3. Increasing Scarcity
   As the pace of new technology accelerates, there is an increased need for skills that schools don’t teach (in high volume) and labor markets don’t supply in the short term.

4. Half-life
   Estimated to average 5 years (e.g., half of what is learned becomes obsolete or is forgotten after 5 years); as a result, employers need to continuously reinvent their skill base.

5. Digital learning disruption
   New capabilities for personalized, role, and task-based learning, career management, and digital credentials can address learning needs in more efficient and agile ways.

**TALENT**

6. Role and skill convergence (business, technical, human)
   Organizations can increase agility by hiring and training employees with a variety of skills beyond their technical base (e.g. social, emotional, learning skills), and by focusing on cross-unit and cross-functional skills and teams.

7. Access to talent vs. owned talent
   Talent needs can be addressed by owning (hiring, acquiring) or accessing talent (e.g., contractors, gig workers, crowdsourcing or “borrowing” from another unit or partner); new labor platforms can make it easier to select and manage options.
“Start Now!” Activity

Instructions

1. Break into groups of 3-4

2. Identify a high-impact People Analytics use case
   • Strategic importance
   • Clarity on actions, new decisions
   • Attributable financial impact

3. Prepare to share in 1 minute

10 minutes total