

3.11: Impact of People Analytics on Strategy

Learning Outcomes

- Identify key people analytics strategy impacts



For perspective on people analytics strategy impacts, consider the questions Chief Human Resource Officers business leaders are using analytics to answer:

- “How do we identify and predict who is going to be the next batch of successful leaders in our organization?”
- “How do we make informed decisions around labor mix, talent attraction, and development?”
- “What is the supply of talent in the external marketplace?”
- “How impactful is our leadership, the way we work, and our processes?”
- “How strong is our culture, and do we have the right people?”

As LinkedIn notes, “HR data analytics can help answer many of the critical concerns CHROs must grapple with, including workforce diversity, geolocation decisions, hiring strategy, competitive benchmarking, workforce planning, and employer branding.”^[1]

Practice Question

<https://assessments.lumenlearning.co...essments/18116>

Nielsen and Employee Retention^[2]

To illustrate, consider how measurement and data analytics company Nielsen used people analytics to solve an issue with employee retention. In 2015, the leader of one of Nielsen’s largest businesses asked the head of the company’s new People Analytics group for assistance in identifying why people were leaving her team, saying “Attrition is high—something’s going on. I feel it, I see it, I’m losing my associates.”

In fact, turnover had been identified as a company-wide issue and the people analytics team built a model to answer the question. The initial model factored in 20 employee data points, including age, gender, tenure and manager rating and generated a key finding: internal mobility was a critical retention factor. Specifically, employees that had been promoted or accepted a lateral job change within the past two years were much less likely to leave.

Based on this insight, Nielsen created a “Ready to Rotate” group to help employees interested in an internal transfer. The company also used the data to identify high performers who were “at risk”—specifically, those with the greatest likelihood of leaving the company within six months—and scheduled conversations that resulted in 40% being transferred to new roles.

Another key finding: the first year matters most. To act on this, Nielsen set up a program called “Golden Year” that tracks associate’s first year.

So what was the business impact or these changes?

- Voluntary turnover decreased by almost 50% (with millions of dollars in related HR expense savings)
- Internal job changes increased by a multiple of 8 in the initiative’s first year.

- Annual retention of at-risk employees increased 5–10% in most groups.

Not surprisingly, this impact also established the credibility of the people analytics team.

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For additional people analytics case studies, see David Geen's 20 People Analytics Case Studies article on LinkedIn.

1. Chensoff, Grace, Catherine Copping, Pooja Chhabria, Candice Cheng, Alvin Kan, and Huiling Cheong. "The Rise of Analytics in HR." LinkedIn. 2018. Accessed August 6, 2019. ↩
2. Steiner, Keenan. "People Analytics Isn't as Hard as You Think—Nielsen Proves Why." LinkedIn. LinkedIn, March 9, 2017. ↩

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