



Coca - Cola Enterprises (CCE) Case Study: The Thirst for HR Analytics Grows.

"It's a great opportunity for HR, and we should not pass up on it, because, if executed well, HR analytics combined with business data allows us to highlight the impact of people on business outcomes.

It's about small steps, pilots, where you start to demonstrate the power of combining HR and business data. If you understand the business problems and can come to the table with insights that had previously not been seen you enhance HR's credibility and demonstrate the value we can add as a function.

What amazes me as a HR professional, with a lean six sigma background, is that companies are often great at measuring and controlling business processes but very rarely consider the importance of people in that process. People are without doubt one of the most important variables in the equation."

Data analytics journey

The HR analytics journey within Coca-Cola Enterprises (CCE) really began in 2010. Given the complexity of the CCE operation, its global footprint and various business units, a team was needed which was able to provide a centralised HR reporting and analytics service to the business. This led to the formation of a HR analytics team serving 8 countries. As a new team they had the opportunity to work closely with the HR function to understand their needs and build a team not only capable of delivering those requirements but also challenge the status quo.

"When I first joined Coca-Cola Enterprises in 2010, it was very early on in their

transformation programme and reporting was transitioned from North America to Europe.

At that point we did not have a huge suite of reports and there was limited structure in place. We had a number of scheduled reports to run each month, but not really an offering of scorecards or anything more advanced."

The first step was to establish strong foundations for the new data analytics programme. It was imperative to get the basics right, enhance credibility, and automate as many of the basic descriptive reports as possible. The sheer number of requests the team received was preventing them from adding value and providing more sophisticated reports and scorecards.

CCE initiated a project to reduce the volume of scheduled reports sent to customers, which enabled them to decrease the hours per month taken to run the reports by 70%. This was a game changer in CCE's journey. Many of the remaining, basic, low value reports were then automated which allowed the team to move onwards in their journey and look more at the effectiveness of the HR function by developing key measures. The analytics team was soon able to focus on more "value-adding" analytics, instead of being overwhelmed with numerous transactional requests which consumed resources.

"In the early stages requests were very basic. For example, how many people am I supporting? How many people have started or left? How many promotions have there been in my part of the organisation? The majority of requests were therefore very descriptive in their nature. There was an obvious need to automate as much as we could, because if we could not free ourselves of that kind of transactional reporting, there was no way we were going to add any value with analytics."

Standardising and reporting: towards a basic scorecard

The team soon found that the more they provided reports, the more internal recognition they received. This ultimately created a thirst within HR for more data and metrics for measuring the performance of the organisation from a HR perspective. The HR analytics function knew this was an important next step but it wasn't where they wanted the journey to end. They looked for technology that would allow them to automate as many of these metrics as

possible whilst having the capability to combine multiple HR systems and data sources.

A breakthrough, and the next key milestone in the journey for CCE, was when they invested in an "out of the box" system which provided them with standard metrics and measures, and enabled quick and simple descriptive analytics.

Instead of building a new set of standards from scratch, CCE piloted pre-existing measures within the application and applied these to their data. The result was that the capability to deliver more sophisticated descriptive analytics was realised quicker and began delivering results sooner than CCE business customers had expected.

"We were able to segment tasks based on the skill set of the team. This created a natural talent development pipeline and ensured the right skill set was dedicated to the appropriate task. This freed up time for some of the team to focus on workforce analytics."

We implemented a solution that combines data from various sources, whether it is our HR system, the case management system for the service centre, or our on-boarding / recruitment tools. We brought all that data in to one central area and developed a lot of ratios and measures. That really took it to the next level."

As with any major transformation, the evolution from transactional to more advanced reporting took time, resource and commitment from the business, and there were many challenges for the team to overcome.

"There were a lot of lessons. With the workforce analytics implementation we

probably underestimated the resource and the time needed. Sometimes less is more and we provided too many metrics at first. The key was to really collaborate with our HR leaders and understand what the key metrics were."

With the standards in place CCE then turned to establishing a basic scorecard approach to illustrate the data. Scorecards are a common instrument used by many organisations to provide an overview of the performance of a function. Typically they consist of clear targets illustrated in a dashboard fashion and are utilised by senior management to guide their leadership of the organisation. The leadership team's familiarity with the scorecard methodology meant that the analytics team could simply fit in to a standard reporting process. But for CCE to create its HR dashboard it was apparent that a clear purpose and objective for the analytics was needed, and that the development of future scorecards should be as automated as possible.

Consulting to the business: HR as a centre of "people expertise"

At CCE it's clear that HR analytics, insights, and combining HR and business data is an illustration of the value that HR can add to the business. CCE has developed a partnership approach which demonstrates the power that high quality analytics can deliver, and its value as a springboard to more effective HR practices in the organisation. By acting in a consultative capacity HR is able to better understand what makes CCE effective at delivering against its objectives, HR ensures both parties within the partnership use the

data which is extracted, and find value in the insights which HR are developing.

"To be a consultant in this area, you have to understand the business you're working in. If you understand the business problem then you can help with your understanding of HR, together with your understanding of all the data sets you have available.

You can really help by extracting the right questions. If you have the right question, then the analysis you are going to complete will be meaningful and insightful."

Moving from descriptive reporting towards correlation analysis

There are numerous examples where the HR reporting and analytics team have partnered with the HR function and provided insights that have helped to develop more impactful HR processes and deliver greater outcomes for the business. As with many organisations it is the engagement data with which the majority of HR insight is created. Developing further insight beyond standard survey outputs has meant that CCE has begun to increase the level of insights developed through the method, and by using longitudinal data they have started to track sentiment in the organisation. Tracking sentiment alongside other measures provides leaders with a good indicator for sense-checking the power of HR initiatives and general business processes. The question is whether the relationship between engagement and business results is causal or correlative. For CCE this point is important when explaining

the implications HR data insights to the rest of the business.

“There have definitely been a number of examples where we are starting to share insights that are being acted upon. One example is our engagement survey that is run every couple of years. Within the survey there are three questions related to communication.

The business was keen to understand if there was a correlation between how an employee scores a manager, in terms of communication, and key performance indicators across our sites.

We demonstrated that across all of our sites there was a positive correlation between how leaders communicate and business outcomes. That is great but it is not implying causation. There is something there to explore further, but we cannot go and say, good communication causes better business performance.”

Building analytics capability within HR at CCE

For CCE's analytics team one of the most important next steps is to share the experience and knowledge gained from developing the analytics function with their colleagues, and build capability across HR.

“We are also reviewing the learning and development curriculum for HR to see what skills and competencies we need to build. One of the competencies that we have introduced is HR professionals being data analysts.

For me, it is not only understanding a spreadsheet or how to do a pivot table, it is more understanding what a ratio is, or understanding what their business

problems are, or how data can really help them in their quest to find an intervention that is going to add value and shape business outcomes.”

Barriers

As with any long journey the analytics team at CCE have faced numerous barriers. The challenges they list are common to most HR professionals attempting to establish a significant new process, but it is the challenge of establishing new capability and embedding fit-for-purpose technologies which has created the greatest challenge at CCE.

“In terms of barriers, technology is one. For example having the right data warehouse in place that allows you to extract the data very quickly. From a HR perspective we are well placed, however extracting data from the rest of the business, is a challenge. At CCE HR is trying to branch out and get the data from other parts of the business, which is probably quite unusual. People probably do not expect HR to be that kind of driving force.”

CCE recognises a recruitment challenge centred on sourcing the capabilities to develop high-impact HR analytics, which includes hiring individuals with the ability to analyse data, develop insights and the communication know-how to share across the business. One challenge for HR is to sell the profession as suitable for analytical high-potentials to build their broader business acumen: to move away from the traditional view of transactional HR with little or no analytical capability, to a function based around high-quality data and business insights. For CCE this represents a significant opportunity- high calibre

analysts must see HR as a profession in which they're able to build a lasting career.

"At conferences I have listened to major firms who have PhD students in their business intelligence teams, who appear to be very good at not only analytics but also presenting information. They are few and between and I believe that people who have that skill set would not naturally go into HR. If I reference the recent big data conference I went to, and the projects that some of these companies were doing outside of HR with customer data, Twitter data, really what I would call 'big data,' it may seem a lot more appetising and appealing than HR analytics. If I was a PhD student, I am not sure I would consider HR as a place to go to develop my career and also, whether I would see any longevity in it. As a function we need to change that."

Utilising predictive analytics: CCE's approach

For organisations like CCE natural progression in analytics is towards mature data processes that utilise the predictive value of HR and business data. For most organisations this can too often remain an objective that exists in the far future, and one which without significant investment may never be realised. Alongside the resource challenges in building capability there also exists the need to understand exactly how data may provide value, and the importance of objective and critical assessment as to how data can be exploited. Without appreciation for methodological challenges, data complexity and nuances in analysis, it may be that organisations use data without fully understanding the exact story the data is telling.

"Predictive analytics is difficult. We are very much in the early stages as we are only starting to explore what predictive analytics might enable us to do, and what insights it could enable us to have. If we can develop some success stories, it will grow. If we go down this route and start to look at some predictive analytics and actually, there is not the appetite in the business, or they do not believe it is the right thing to do, it might not take off."

"If you think about the 2020 workplace, the issues that we have around leadership development, multi-generational workforces, people not staying with companies for as long as they have done in the past, there are a lot of challenges out there for HR. These are all areas where the use of HR analytics can provide the business with valuable insights."

For CCE it appears that analytics and HR insight are gaining significant traction within the organisation. Leaders are engaging at all levels and the HR function is increasingly sharing insights across business boundaries. This hasn't been without its challenges: CCE face HR's perennial issues of technology and the perceived lack of analytics capability. However their approach of creating quality data sets and automated reporting processes has provided them with the foundations and opportunity to begin to develop real centres of expertise capable of providing high quality insight to the organisation. It is clear CCE remains focused on continuing its HR analytical journey.