

CIPD

Chartered Institute
of Personnel and
Development

in association with


workday®

Middle-east and
North Africa focus

September 2018

Global research



People analytics:

driving business
performance with
people data

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 150,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Workday is a leading provider of enterprise cloud applications for finance and human resources. Founded in 2005, Workday delivers financial management, human capital management, and analytics applications designed for the world's largest companies, educational institutions, and government agencies. Organisations ranging from medium-sized businesses to Fortune 50 enterprises have selected Workday.

Middle-east and North Africa focus

People analytics: driving business performance with people data

Contents

Introduction	2
People analytics culture and access to data	2
Professional perspectives on data use	3
Confidence and capability	4
Half of MENA HR professionals have access to data science	5
Value of people analytics	6
Using data to manage risk	7
The impact of AI and automation	8
Conclusions	9

Acknowledgements

This report was written by Edward Houghton, Senior Research Adviser: Human Capital and Governance, CIPD, and Melanie Green, Research Associate, CIPD.

We'd like to thank Tasha Rathour, Ian Neale and the team at YouGov for their help in designing and running the survey instrument, as well as a number of experts for their insights and guidance, including Andy Charlwood, Max Blumberg and Andrew Marritt.



We'd also like to thank Workday for their ongoing interest in this important agenda. Without their support, this research would not have been possible.

1 Introduction

The CIPD report, in association with Workday, *People Analytics: Driving business performance with people data*,¹ uses global data collected from the UK, US, Middle East and North Africa (MENA), and South-east (SE) Asia to explore multiple professional perspectives on people data and people analytics.

People analytics is a growing agenda for organisations, particularly given the rise of workplace technology that is now able to track individuals' behaviours and provide deeper insights into their performance, productivity and well-being. The use of data in organisations to drive business and employee outcomes is expected to continue as technology further influences the world of work, and more stakeholders including investors and prospective employees show interest in people data.

This summary report provides a spotlight on MENA, and explores how MENA professionals from HR, finance and other business backgrounds use and value people data.²

We find that HR capability and confidence in conducting analytics is stronger in MENA than other regions (specifically the UK and the US), and have a higher proportion of respondents operating in a stronger analytics culture than UK and US professionals. However, there should still be a focus on improving capability and value with people data, especially when it comes to ensuring other stakeholders trust the people data they receive.

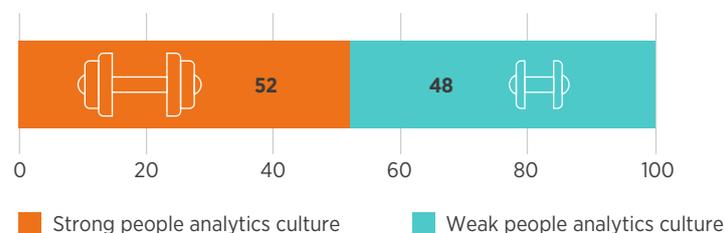
2 People analytics culture and access to data

We found that half of MENA respondents report that they have access to workforce data (50%), with 34% using this data daily. MENA HR professionals are most likely to identify themselves as analysts and producers of workforce/people data (35%).

Almost half of HR MENA respondents said they use people data daily to make decisions (44%), compared with 39% of non-HR respondents in this region.

When it comes to analytics culture, 52% of MENA respondents report that their organisation has a strong analytics culture, compared with 48% in a weak analytics culture.³

Figure 1: MENA people analytics culture (%)



Base: MENA respondents (n=643)

¹ Available at www.cipd.co.uk/knowledge/strategy/analytics/people-data-driving-performance

² Base n=643, HR 28%, finance 25%, other professionals (such as marketing, sales procurement) 47%

³ This refers to the way organisations use and value analytics; and is measured using items such as: do management speak about the value of data and transparency, and is data actively sought out?

Regional differences

SE Asia and MENA respondents have similar access to data (54% versus 50%), but 34% of MENA respondents indicate they use this data daily, compared with 24% of SE Asia respondents. MENA respondents report similar levels of data access to workforce data as UK respondents (57%), but only 17% of UK respondents use this daily compared with 34% of MENA respondents.

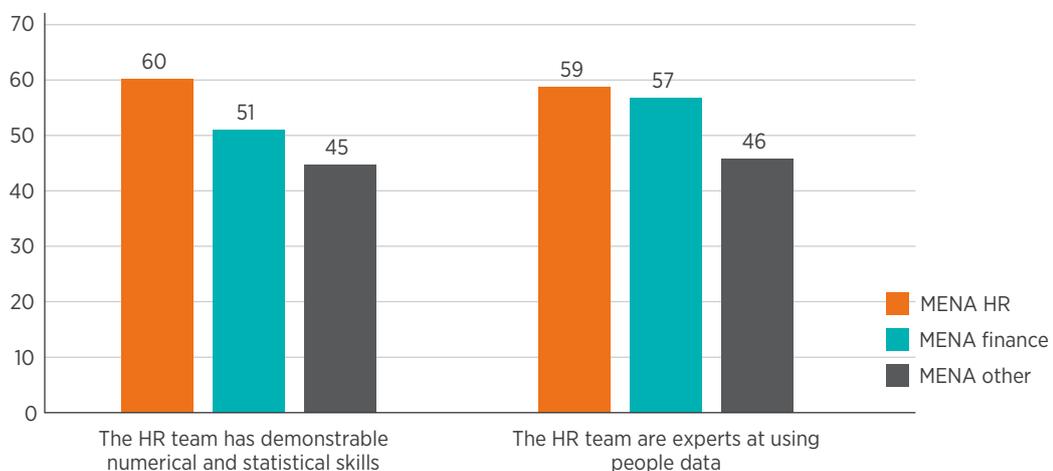
MENA respondents are more likely to identify themselves as analysts and producers of workforce data than UK and US respondents, who are more likely to identify as analysts and consumers of workforce data. While more UK respondents report having access to workforce data, a higher proportion of MENA respondents report being producers and analysts of data.

Analytics culture is similar for MENA and SE Asia respondents. However, MENA respondents are much more likely to work in an organisation with a strong analytics culture (52%), compared with just over a third of UK respondents (35%) and US respondents (34%).

3 Professional perspectives on data use

The study also investigated HR's reputation as a data-driven function. Overall, MENA HR professionals have the most positive outlook of the analytics skills of the profession, with 60% of HR professionals in this region agreeing that the HR team had demonstrable numerical skills, compared with 51% of finance and 45% of other professionals. When it comes to HR team expertise in using people data, HR and finance had a similar perspective (59% and 57% agreeing this was the case respectively). However, other professions were less likely to agree (46%) that the HR team in their organisation are experts at using people data.

Figure 2: Professional perspectives on HR people data skills (% agree)

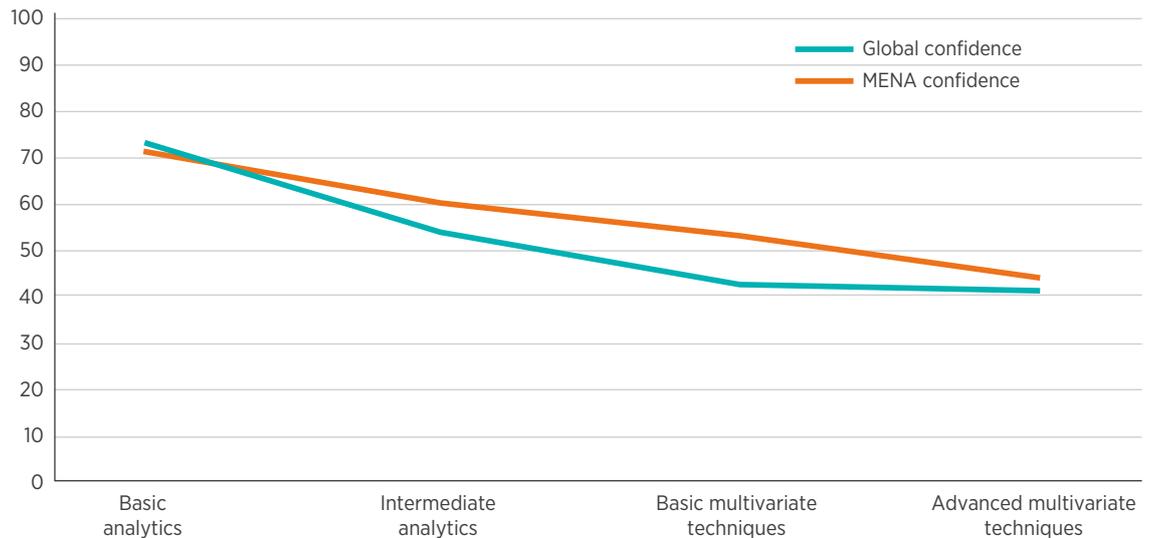


Base: MENA HR (n=182); MENA finance (n=158); MENA other (n=303)

4 Confidence and capability

Overall, MENA respondents report higher confidence using people analytics than the global average, but as with all regions, confidence and use of data lags when it comes to more advanced techniques. Fifty-four per cent of MENA HR respondents report frequently using basic data analysis, compared with the 37% that undertake more advanced techniques such as structural equation modelling.

Figure 3: MENA confidence conducting analytics⁴ (%)



Base: global HR basic analytics (n=1,160); global HR intermediate analytics (n=1,045); global HR basic multivariate (n=856); global HR advanced multivariate (n=735); MENA HR basic analytics (n=167); MENA HR intermediate analytics (n=158); MENA HR basic multivariate (n=147); MENA HR advanced multivariate (n=140)

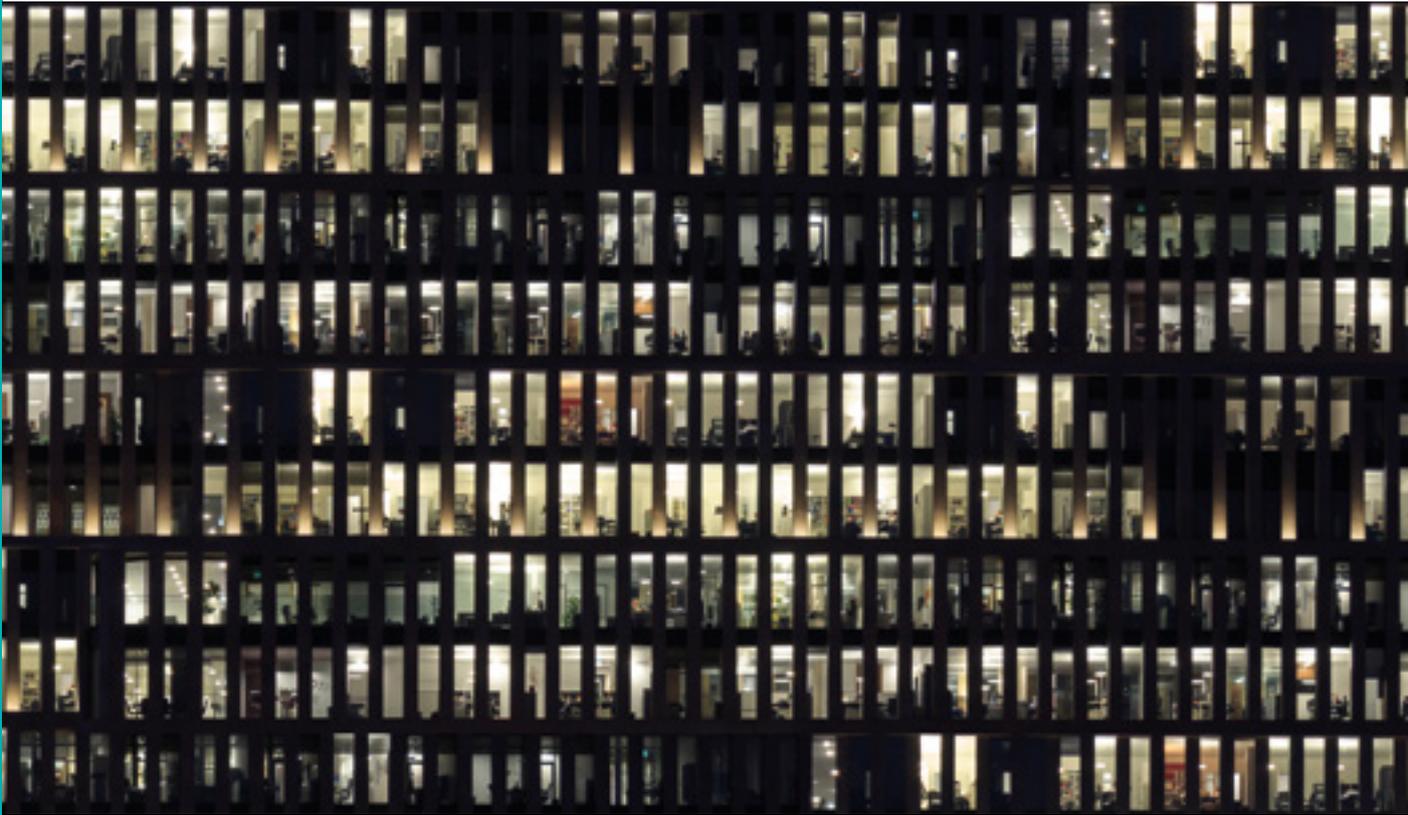
Confidence in basic data analysis is also high, with 71% of MENA HR professionals reporting that they are confident in using these techniques. Over half (54%) were confident undertaking more advanced analysis, compared with the 37% who frequently use this type of analysis.

Regional differences in confidence and capability

There are marked differences in data use across regions, with MENA respondents more likely to be frequently using all types of analysis than UK and to some extent US respondents. MENA respondents report similar levels of confidence and capability as SE Asia respondents.

There are less marked differences in confidence levels for basic data analysis, which are high for UK respondents, with 76% of UK and US respondents and 66% of SE Asia HR respondents reporting confidence with these techniques.

⁴ Item adapted from Levenson, A. (2011) *Using targeted analytics to improve talent decisions*. Centre for Effective Organisations.



5 Half of MENA HR professionals have access to data science

With relatively high confidence in people analytics, are MENA respondents less likely to outsource data science? We find that this isn't the case, with around half of MENA respondents indicating that their HR team has access to data scientists with HR knowledge (47%). Similarly, 46% agree that data scientists and/or HR analysts are available to their HR team.

Over half agree that their HR team has the right skills to handle large datasets (51%), and that their HR team is able to tackle business issues using analytics data (47%).

Regional differences in access to data science

Forty-seven per cent of MENA respondents agree their HR team has access to data scientists. SE Asia and MENA are largely comparable in this area, with 47% of SE Asia professionals agreeing with this. However, the UK and US have far lower access to data scientists, with just 20% of UK and 24% of US respondents reporting this.

A similar trend is apparent for all items, with just over half of MENA respondents (51%) indicating their HR team has the right skills to handle large datasets, compared with just 28% of US and 27% of UK respondents agreeing with this, suggesting that HR data capability isn't associated with less outsourcing.

6 Value of people analytics

The survey investigated non-HR perspectives on the value of people analytics to understand if and how people analytics is adding value to those in the business with which HR partners. Finance and other professionals in this region report that they receive value from analytics, with seven in ten respondents in MENA (70%) reporting that the HR data and analytics they receive aids decision-making. A further 62% are able to use this data to influence working practices.

Figure 4: Professional perspectives on people analytics value (% agree)



In addition, 68% report that they are able to seek advice from internal experts when it comes to analytics. However, over half (57%) also agree that the predictions made by HR analytics are 'too good to be true' and don't trust them.

Regional differences in the value of people analytics

Non-HR respondents from MENA are more likely to be using HR data and analytics to influence and make decisions than UK non-HR respondents. Sixty-two per cent of MENA respondents use findings from data and analytics to influence change in working practices, compared with 39% of UK non-HR respondents, and 34% of US respondents (although it should be noted the US sample size is small and shouldn't be considered a conclusive finding).

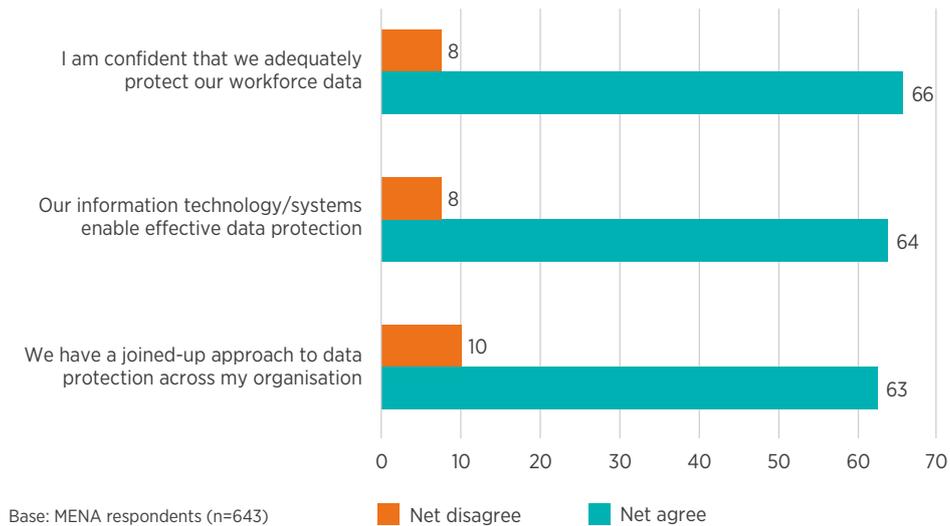
However, respondents in MENA are also more likely to agree that workforce predictions are too good to be true, so they don't trust them. Two in ten UK non-HR respondents indicate that such predictions are too good to be true (19%), compared with almost six in ten MENA respondents (57%). SE Asia respondents also indicate a similar perception, with 56% of SE Asia non-HR respondents agreeing workforce predictions are too good to be true.

While MENA respondents are more likely to have access to data and use it in their decision-making, the perceived trustworthiness of that data is somewhat lower than UK and US counterparts.

7 Using data to manage risk

When it comes to managing workforce risks, MENA HR respondents feel they are most effective⁵ at managing risks associated with physical health and safety (77%), unethical practices by employees (75%) and workforce planning (74%). They report being least effective at managing risk due to industrial action (57%).

Figure 5: Perspectives on data protection (% agree and % disagree)



Overall, MENA respondents have a largely positive perception of data protection, with 63% agreeing that their organisation has a joined-up approach to data protection. A further 64% agree that their information technology/systems enable effective data protection, and 66% agree they are confident that their organisation adequately protects workforce data.

This positive view is consistent across professional perspectives, with 65% of MENA HR professionals, 64% of MENA finance professionals and 63% of MENA 'other' professionals agreeing their information technology systems enabled effective data protection.

Regional differences in data and risk management

MENA respondents are less confident in managing the risks related to psychological health than some other regions, with 28% reporting not being effective in managing this risk, compared with 14% of UK respondents and 11% of SE Asia HR respondents.

Data protection across regions is largely consistent, although US respondents have the least positive view of data protection in their organisation.

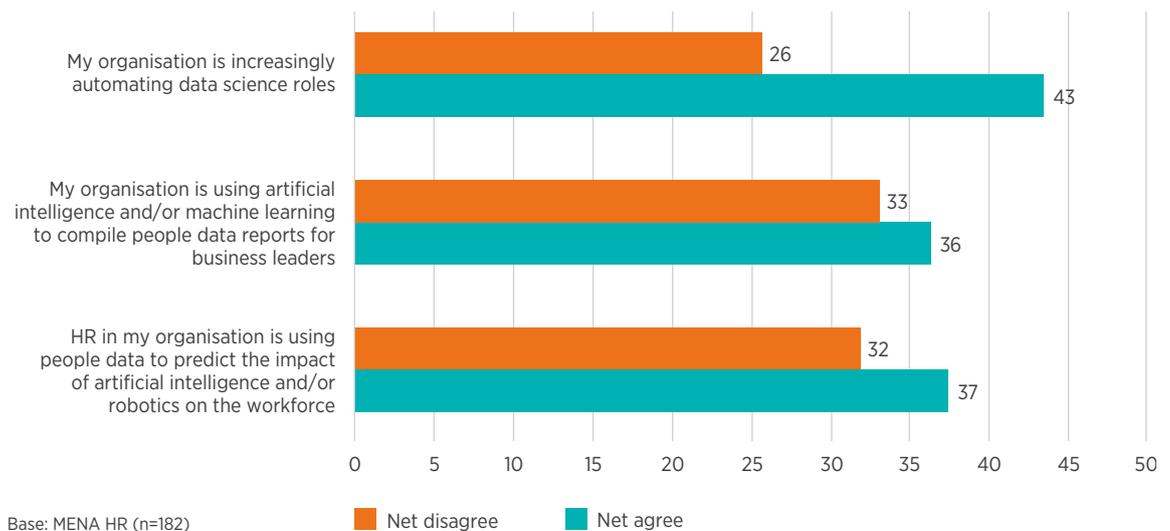
⁵ Percentage selecting 'effective a great deal' or 'to some extent'

8 The impact of AI and automation

The survey found that there is some shift towards automation of data science roles in the MENA region, with 43% agreeing their organisation is increasingly automating such roles.

Slightly fewer report using people data to predict the impact of AI and robotics on their workforce (37%), and 36% agree their organisations are using AI/machine learning to compile people data reports for business leaders.

Figure 6: Impact of AI and automation on analytics in MENA organisations (% agree and % disagree)



Global analysis suggests that people analytics culture is associated with preparedness for future trends and automation of analytics, with those operating a strong people analytics culture more likely to indicate that they are utilising AI, automating data science roles and using people data to predict the impact of AI/robotics on the workforce.⁶

With MENA respondents more likely than regions such as the UK and US to identify their organisation as having a strong analytics culture, it is clear that people analytics culture supports advanced use of people analytics.

Regional differences

MENA respondents are far more likely to say their business is automating data science roles than UK (15%) and US (26%) respondents, but less likely to say this than SE Asia respondents (50%).

This trend continues for other aspects of automation, with 37% of MENA respondents indicating that HR in their organisation is using people data to predict the impact of AI on the workforce, compared with 47% of SE Asia respondents and just 24% of US respondents.

⁶ Using AI and machine learning for reporting: F=240.189, p=0.000. Using data to predict impact of automation: F=266.251, p=0.000, automating data science roles: F=256.690, p=0.000

9 Conclusions

An important story to emerge from this study is the impact of low skills and low confidence on the quality of outcomes from people analytics. This is apparent across regions, although MENA respondents indicate stronger people analytics cultures than UK and US respondents, and tend to use more data. However, more non-HR respondents in the MENA region suggest they don't trust the people data they receive than UK and US respondents, suggesting that the value and robustness of people analytics still needs to be an area of focus.

Recommendations

There are several key areas people professionals should focus on to get the best outcomes from people analytics.

Table 1: Key recommendations for MENA HR professionals

Develop people analytics skills and capabilities	Senior HR professionals should look to build the skills and capabilities of their functions for conducting people analytics, and focus on the development of robust and high quality analytics practices.
Focus on building trust with key business stakeholders	Senior HR professionals should look to encourage other functions to make use of people data in their decision making, and foster relationships built around trust and transparency, supported with people analytics insights.
Focus on building people analytics culture and behaviours	HR practitioners should look to ensure that they take the opportunity to foster strong people analytics cultures by recognising its value and importance at the strategic level.
Explore opportunities to automate processes and activities where possible	HR professionals globally should continue to explore the automation of key people analytics activities, including the generation of regular reports for key stakeholders. Automating this activity can potentially free up HR resource to focus on strategic people analytics practices.

Find out more: check out the full report at
cipd.co.uk/peopleanalytics

CIPD

Chartered Institute of Personnel and Development
151 The Broadway London SW19 1JQ United Kingdom
T +44 (0)20 8612 6200 **F** +44 (0)20 8612 6201
E cipd@cipd.co.uk **W** cipd.co.uk

Incorporated by Royal Charter
Registered as a charity in England and Wales (1079797)
Scotland (SC045154) and Ireland (20100827)

Issued: September 2018 Reference: 7663 © CIPD 2018

