

# CIPD

Chartered Institute  
of Personnel and  
Development

in association with



## People analytics: driving business performance with people data

South-east Asia focus  
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*Global research*



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.

## South-east Asia 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 South-east Asia 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.

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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*,<sup>1</sup> 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 SE Asia, and explores how SE Asia professionals from HR, finance and other business backgrounds use and value people data.<sup>2</sup>

Overall, we find that HR professionals in SE Asia are more likely to report using people data and have a higher proportion of respondents operating in a stronger analytics culture than UK and US professionals, but there should still be a focus on improving capability and value with people data, especially when it comes to ensuring the stakeholders of HR trust the people data they receive.

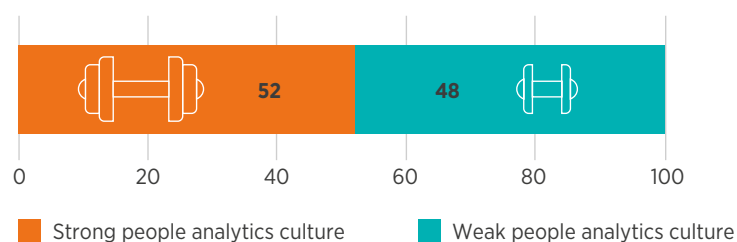
## 2 People analytics culture and access to data

Access to people data is an important part of analytics practice. Our data shows that 54% of respondents in SE Asia indicate they have access to workforce data, with 23% using this data daily. Twenty-nine per cent of HR professionals in this region indicate that they use this data for decision-making daily. Of the regions studied, HR professionals in SE Asia were most likely to identify themselves as an analyst/producer of people data (39%).

Overall, 34% of professionals in this region identify themselves as producers and analysts of workforce data, and 26% identify themselves as an analyst and consumer of people data.

When it comes to analytics culture, 54% of respondents operate in a strong analytics culture, compared with 47% in a low analytics culture.<sup>3</sup>

**Figure 1: SE Asia people analytics culture (%)**



Base: SE Asia professionals (n=1,115)

<sup>1</sup> Available at [www.cipd.co.uk/knowledge/strategy/analytics/people-data-driving-performance](http://www.cipd.co.uk/knowledge/strategy/analytics/people-data-driving-performance)

<sup>2</sup> Base n=1,116, HR 35%, finance 38%, other professions (such as marketing, sales, procurement) 27%

<sup>3</sup> 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

Over half of SE Asia respondents report that they have access to data (54%), compared with 50% of MENA respondents and 41% of US respondents. UK respondents report marginally higher access to data (57%). However, HR respondents from SE Asia appear to use workforce/people data in their decision-making more frequently (29% report using this daily, compared with 26% of UK HR professionals).

SE Asia HR respondents are more likely to report that they are producers of people data than UK and US respondents, with 39% saying they produce people data compared with 19% of UK HR professionals and 19% of US HR professionals.

Over half of SE Asia respondents believe they have a strong people analytics culture (54%), 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. Data shows that HR, finance and other professionals have differing perspectives on HR capability. For example, 57% of SE Asia HR professionals agree their HR team has demonstrable numerical skills, compared with 46% of finance professionals in the region.

A similar story emerges regarding perceptions of HR’s expertise in people data, with 58% of HR professionals indicating they are experts at using people data, compared with 47% of finance professionals and 45% of other professionals.

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



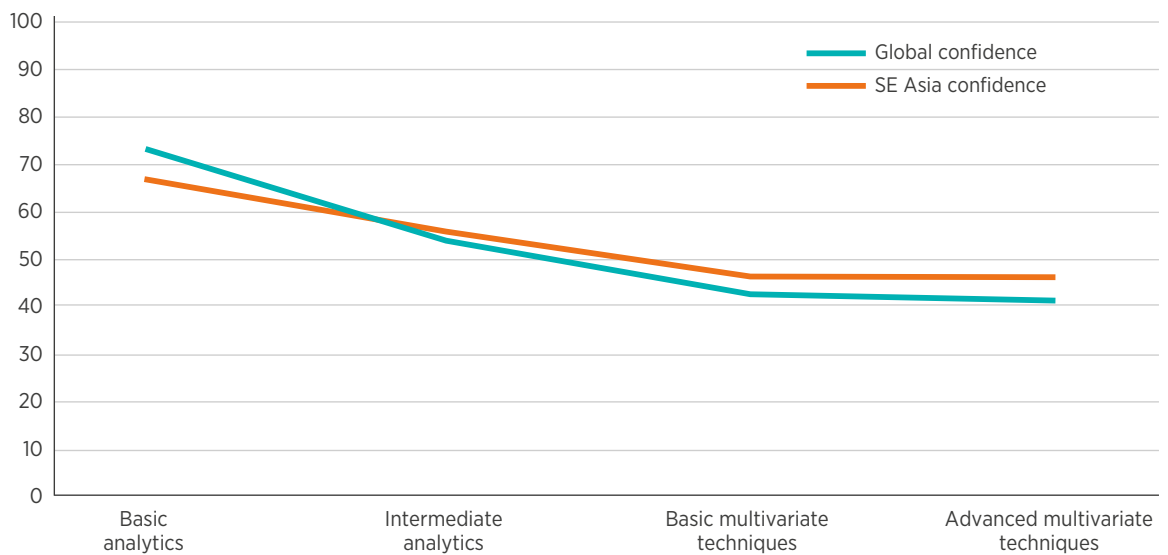
Base: SE Asia HR (n=389); SE Asia finance (n= 420); SE Asia other (n=306)

## 4 Confidence and capability

We find that just over half of SE Asia professionals report frequently using basic data analysis (52%). A further 66% said they are confident or very confident using these. When it comes to more advanced people analytics, fewer SE Asia HR professionals are using these, with 29% reporting they frequently use advanced multivariate models. However, over half (56%) say they are confident using these techniques, suggesting there is untapped potential when it comes to advanced analysis.

Four in ten respondents in this region frequently present the findings of people analytics (38%) compared with the six in ten that are confident doing so (58%).

**Figure 3: Confidence conducting analytics<sup>4</sup> (%)**



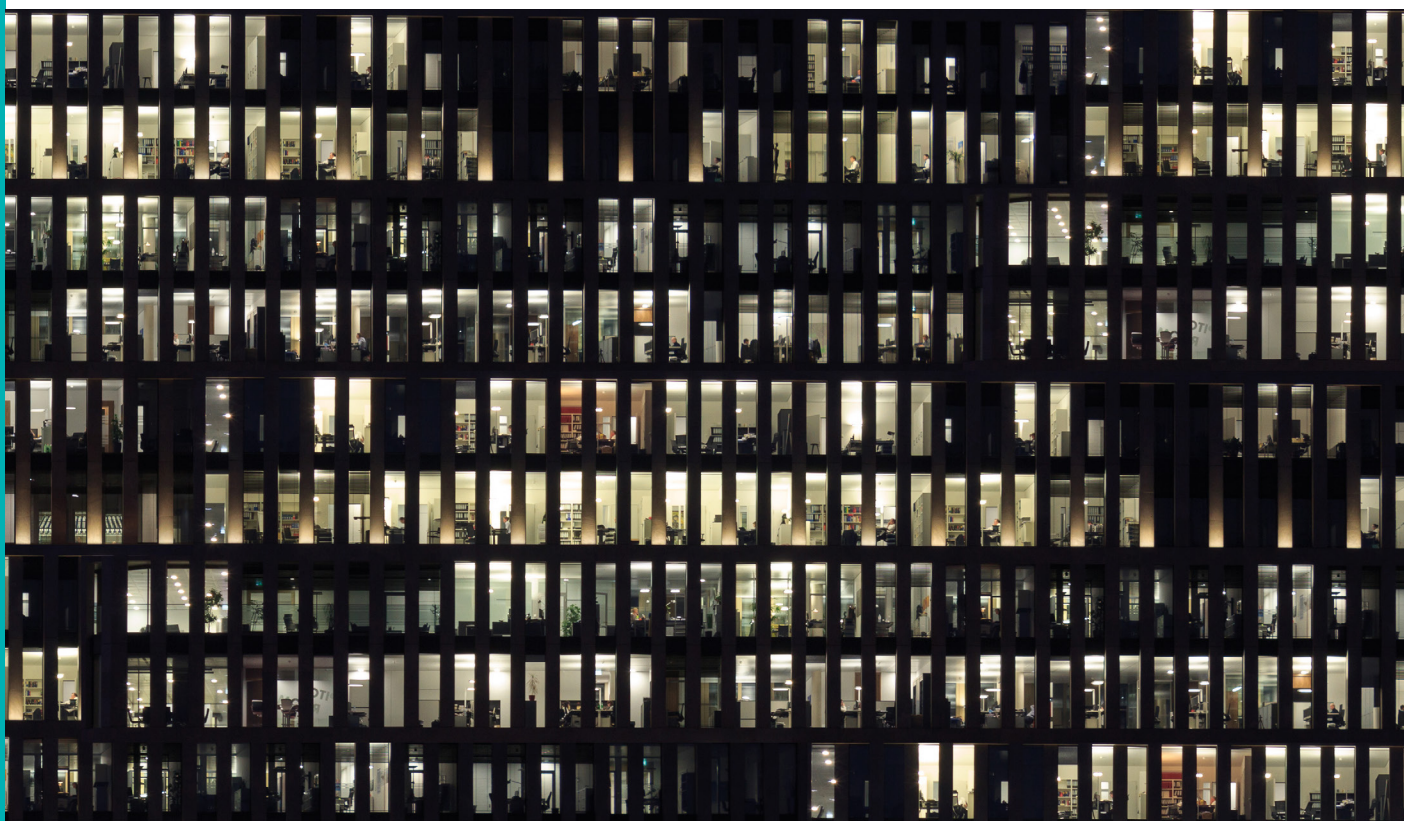
Base: global HR basic analytics (n=1,160); global HR intermediate analytics (n=1,045); global HR basic multivariate (n=856); global HR advanced multivariate (n=735); SE Asia HR basic analytics (n=357); SE Asia HR intermediate analytics (n=343); SE Asia HR basic multivariate (n=314); SE Asia HR advanced multivariate (n=294)

### Regional differences in confidence and capability

There are marked differences in data use across regions, with respondents from SE Asia far more likely to be frequently using all types of analysis than UK and US respondents – for example, 52% of SE Asia HR professionals frequently use basic data analysis, compared with 38% of UK HR professionals. Overall use of analytics is comparable between SE Asia and MENA.

Interestingly, however, confidence levels in areas such as basic data analysis are similar across regions, and in fact SE Asia respondents report the lowest confidence with basic data analysis, with 66% reporting they are confident with these techniques compared with 76% of UK HR professionals, 77% of US HR professionals and 71% of MENA HR professionals.

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



## 5 Half of South-east Asia HR professionals have access to data science skills

With relatively high frequency of analytics and confidence in using people data indicated by SE Asia HR professionals, we might expect people analytics to be kept in-house. However, the study finds this isn't the case, with around half of respondents in this region indicating that their HR team has access to data scientists with HR knowledge, and had data scientists or HR analysts available to their team (47% and 49% respectively).

A similar amount agreed that their HR team has the right skills to handle large datasets and that HR has the ability to use analytics to tackle business issues (51% and 49% respectively), suggesting that outsourcing data science isn't correlated with lack of HR skill in this region.

### **Regional differences in access to data science**

Forty-seven per cent of SE Asia respondents agree their HR team has access to data scientists, compared with just 20% of UK and 24% of US respondents.

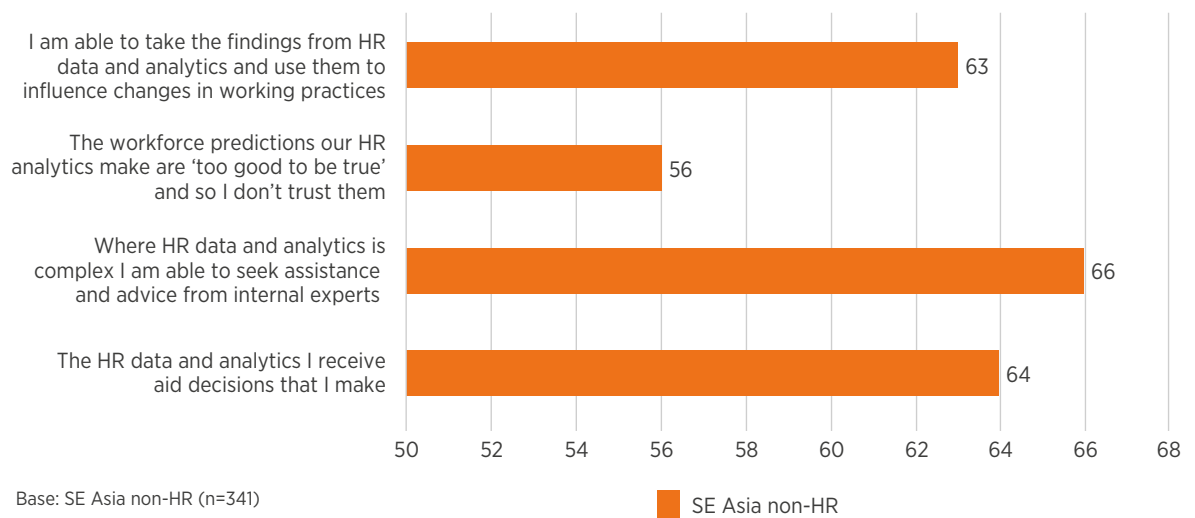
A similar trend is apparent when it comes to the HR teams' own data science skills, with just over half of SE Asia respondents (51%) indicating their HR team is able to tackle business issues using analytics, whereas just 28% of US and 27% of UK respondents agree with this. SE Asia and MENA are largely comparable in this area.

## 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.

Overall, finance and other professionals in the region report that they gain value from people data, with a relatively high proportion of non-HR professionals in SE Asia feeling that the HR data they receive aids the decisions they make (64%). A further 66% feel assistance and advice is available from external experts and 63% use people data to influence change in working practices. That being said, over half also feel that the analytics they receive are too good to be true and can't trust them (56%).

**Figure 4: Non-HR perspectives on value of people data (% agree)**



### Regional differences in the value of people analytics

Non-HR respondents from SE Asia are more likely to be using HR data and analytics to influence and make decisions than non-HR respondents from the UK and US (63%, compared with 34% of US respondents and 39% of UK respondents).

However, respondents in this region are also more likely to agree that workforce predictions are too good to be true, so they don't trust them – more so than respondents from other regions such as the UK, where 19% of non-HR professionals note that they don't trust the predictions of HR analytics, compared with 56% of SE Asia respondents. MENA and SE Asia are largely comparable in this area, with 57% of non-HR MENA respondents indicating workforce predictions are too good to be true and therefore don't trust them.

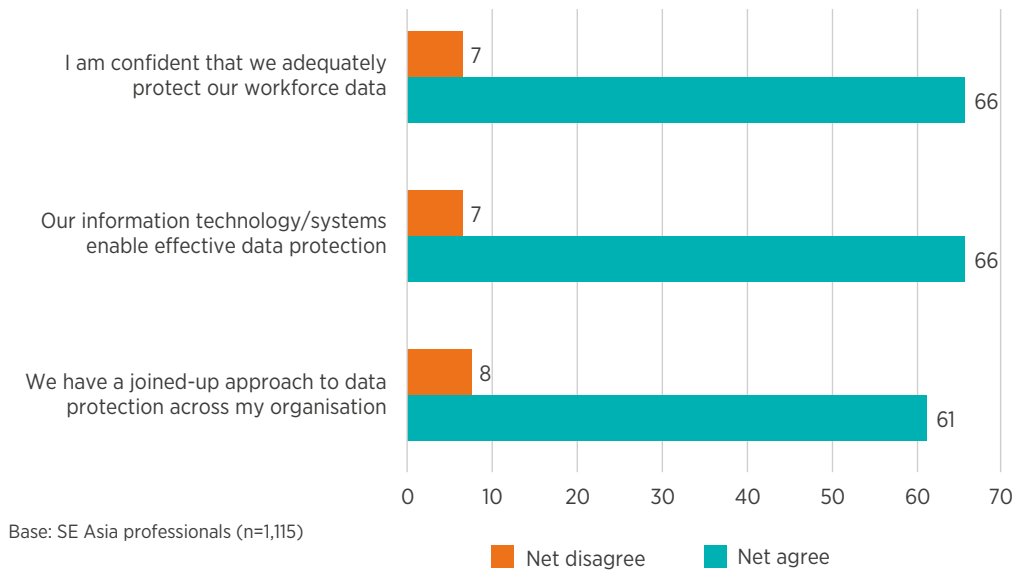
While SE Asia respondents are more likely to have access to data and use it in their decision-making, the perceived trustworthiness of that data is somewhat lower than their UK and US counterparts.



## 7 Using data to manage risk

When it comes to risk, HR respondents in SE Asia feel they are most effective<sup>5</sup> at managing risks associated with physical health and safety and workforce planning (83%), followed by career development and progression for minority groups (82%) and psychological health and safety (81%).

**Figure 5: Professional perspectives on data protection (% agree and disagree)**



When asked about data protection, 61% agree that their organisation has a joined-up approach to data protection across their organisation, with little variation in professional perspectives.

Sixty-six per cent agree that their information technology/systems enable effective data protection, and that they are confident that their organisation adequately protects workforce data.

### Regional differences in data and risk management

HR SE Asia respondents feel most confident managing risks posed by career development progression for minority groups than other regions, with 83% reporting the HR team are effective at managing this risk, compared with 67% of MENA respondents.

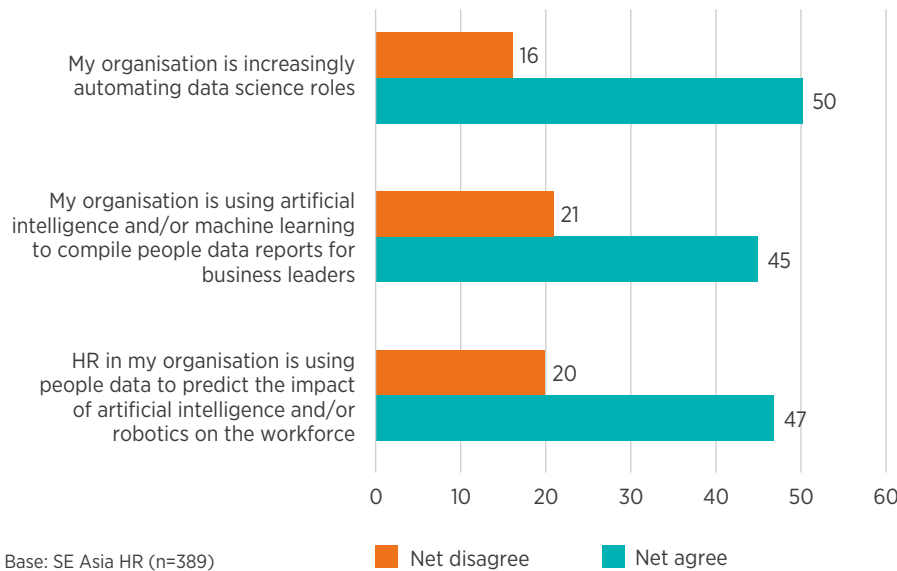
Data protection across cultures is largely consistent, although US respondents have the least positive view of data protection in their organisation.

<sup>5</sup> Percentage selecting 'effective a great deal' or 'to some extent'

## 8 The impact of AI and automation

When it comes to automation, half of HR professionals in SE Asia report that their organisation is increasingly automating data science roles (50%).

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



A further 45% agree their organisations are using AI/machine learning to compile people data reports for business leaders, and just under half report using people data to predict the impact of AI and robotics on their workforce (47%).

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. Global analysis suggests that analytics culture is associated with preparedness of future trends and automation of analytics.<sup>6</sup> With SE Asia respondents more likely than other regions, like the UK, 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 in the impact of AI and automation

SE Asia HR respondents are the most likely to say their business is automating data science roles than other regions in this study. Half of SE Asia respondents indicate this, compared with 43% of MENA respondents, 26% of US respondents and just 15% of UK respondents.

This trend continues across all items, with SE Asia respondents more likely to suggest their organisation is using people data to predict the impact of AI and robotics on their workforce, and that AI is used to compile reports than UK, MENA and US respondents.

<sup>6</sup> 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. Positively, SE Asia respondents in this study indicate stronger people analytics cultures than UK and US respondents, and tend to use more data. However, more non-HR respondents in the SE Asia 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 SE Asia HR professionals**

<b>Build people analytics skills and confidence in the profession</b>	HR leaders must invest in and develop the skills and confidence of HR professionals, and ensure they have the opportunities to undertake people analytics projects.
<b>Build stronger cross-functional relationships to improve the impact of people analytics</b>	Non-HR functions require encouragement to increase the use of people data in their practice and for long-term decision-making. HR leaders and business partners should use this opportunity to build relationships using people data, and focus on delivering business value and ensuring data is robust and trustworthy.
<b>Focus on building people analytics culture and behaviours</b>	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.
<b>Continue to improve efforts to automate where appropriate</b>	HR professionals globally should continue to improve their use of people analytics technologies to automate reporting.

Find out more: check out the full report at  
[cipd.co.uk/peopleanalytics](https://cipd.co.uk/peopleanalytics)

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