



# People analytics can be your guide across the talent lifecycle

Let data close gaps and drive retention

## Join the search for the right employees

Many federal and state agencies struggle to deliver their missions. Manual processes persist. Legacy technologies need to be modernized while the staff with institutional knowledge retire. Future employees will need digital dexterity more than tenure and experience<sup>1</sup> to navigate modern processes and technologies. With 28 percent of federal employees eligible to retire within the next five years and only about 7 percent of employees under the age of 30,<sup>2</sup> agency leaders see the need to focus on the workforce. They also know they lack quantitative data to identify the most pressing issues and guidance on how to fix them.

All industries are in a race to attract and keep the right talent while also facing cost pressures.<sup>3</sup> Organizations with leaders who make informed and deliberate workforce decisions will lead the race and also manage expenses. We hope this article will help federal and state leaders with workforce responsibilities join these winning leaders. This article explores four steps for **using people analytics to build and retain the right workforce that can deliver missions today and in the future.**

## Why modern government is important

Government agencies in the U.S. must modernize in order to keep up with changing user needs, regulations, and health and public safety requirements. Leaders of modern governments rethink business processes and service delivery models to more effectively achieve their mission. This article is one of a series that features how modernizing affects the government workforce and the user experience, improves security and public trust, and accelerates the digital journey. KPMG team members offer insights intended to help guide governments in their modernization efforts to encompass all processes, technologies, policies, and the workforce so each works together to create connected, powered, and trusted organizations.



<sup>1</sup> Source: Jordan Turner, Gartner, "6 Ways the Workplace Will Change in the Next 10 Years," July 6, 2022.

<sup>2</sup> Source: The President's Management Agenda, November 2021.

<sup>3</sup> Source: Emily Rose McRae, Gartner, "9 Future of Work Trends for 2023," December 22, 2022.



# Use people analytics from recruitment to performance management and beyond

People analytics can help build and shape an organization's workforce to achieve the mission. This includes recruiting and onboarding all the way to career pathing and workforce dynamics—and all phases in between, as illustrated in the talent lifecycle model. Internal and external data provides the facts. Then analytics puts data in context to guide organizations to close any gaps in the talent lifecycle. For example, data and analytics can show where organizations will lose people because they are approaching retirement. It can identify cities where private sector companies are poaching the organization's people.

It also can spot groups and individuals who need help to be more empowered and engaged.

For example, the Commonwealth of Pennsylvania used data and tools to identify employees from various job titles for a tuition-paid program to help address the state's nursing shortage. The Commonwealth also used data and analytics to identify outdated processes to challenge. One outcome was updating a law to be able to email job applicants rather than mailing paper, a huge improvement to the recruitment experience.

## Talent lifecycle





## Four steps to use people analytics for a more effective organization

Approaching people analytics the right way can help leaders make more informed, deliberate decisions. The result can be higher employee engagement, retention, and productivity, as well as cost savings. We suggest using these four steps as a guide.





## 1

### Measure people-related metrics

Organizations that create a people analytics vision, strategy, and roadmap lay the foundation for their internal human resources and people analytics function. These organizations can use data visualization, along with advanced analytics and reporting, to pave the way to a more effective and engaged organization. For example, the Defense Counterintelligence and Security Agency starts with its strategic plan, determines what skills employees need, and ties those skills back to the strategy. They then analyze whether people's skills fit in their current jobs. For recruiting, they identify what people need to know when they walk through the door and what they can learn once there.

To create a people analytics vision, strategy, and roadmap, first **envision your agency's future state**, or how the organization wants to operate. Develop the business case and implementation roadmap. Next, **assess your technology capabilities**, including human capital management systems, HR analytics, as well as data integration and your ability to access data. Then **add dashboards** and predictive people analytics.

## 2

### Understand how external factors influence employees

With the right data and analytics capabilities, organizations can develop benchmarks and tools to understand external factors that influence recruitment, retention, compensation, and upskilling for current and prospective employees. These factors lead to risks that can impact your talent. AI-powered software can analyze and collate millions of public employment records and external data sources related to topics including hiring, compensation, career transitions, and macro trends. This data can inform workforce planning.

To better understand how external factors influence employees, start by **identifying what should drive your workforce strategy**. Next, **gather insights** from attrition, internal mobility, forecasting, and network analysis. Combine these with external benchmarks to **diagnose external risks** that can affect current employees' retention and attracting future employees.



### 3 Double-click into your employee experience for ways to improve it

Help your agency's leaders identify potential issues or trends related to scheduling, burnout, and compensation to diagnose and repair weak points in the employee experience. Research and benchmarking can help leaders make smarter, data-driven decisions faster. If done right, research can shift the organization's HR mindset from reactive to proactive. It can also transform the people analytics function from descriptive to predictive and prescriptive. For example, conduct employee surveys and use predictive modeling to anticipate which employees are at risk of leaving. The following steps can help you use data and analytics to improve the employee experience:

- **Benchmark people metrics and labor KPIs.** External market data helps leaders identify where the organization compares to the marketplace.
- Understand **workforce dynamics**
- Analyze your **organization design**
- Assess the digital **employee experience**
- Optimize **scheduling**
- Design and analyze **surveys**

### 4 Help your employees learn about data and analytics

A data and analytics–literate organization is a thriving organization. Organizations that assess knowledge and deliver development and change management can improve employee adoption. Customizing to the organization's delivery channels and employees' learning paths can also improve adoption. Follow these steps for using data and analytics to evaluate digital and data literacy:

- **Create digital learning content** covering relevant topics to equip individuals with the right digital skills to be successful in their roles and feel digitally competent.
- **Define competency levels and objectives** for each learning area and KPIs for monitoring training completion and effectiveness.
- **Develop curriculum** including courses, application projects, hackathons, and learning journeys to achieve required learning outcomes.
- **Build learning communities** with cohorts identified based on the organization's hierarchy to drive consistent learning and digital skill sets.
- **Create learning paths** for each learning community considering the maturity assessment, business needs, and the organization's vision.



## Leaders can push the boundaries

People cannot lead effectively based on feel, experience, and anecdotes. They also cannot deliver more with less without the right resources. Leaders need data, analytics, and dashboard capabilities to identify and address trends. Make sure you and your organization have the data needed to see into the organization and the analysis tools to make informed workforce decisions. Add people analytics as the foundation to help improve your organization's talent lifecycle —from beginning to end— for better workforce productivity and retention.

## About KPMG

KPMG has worked with federal, state, and local governments for more than a century, so we know how agencies work. Our team understands the unique issues, pressures, and challenges you encounter in the journey to modernize. We draw on our government operations knowledge to offer methodologies tailored to help you overcome these challenges and work with you from beginning to end to deliver the results that matter.

The KPMG team starts with the business issue before we determine the solution because we understand the ultimate mission. When the way people work changes, our team brings the leading training practices to make sure your employees have the right knowledge and skills. We also help your people get value out of technology while also assisting with cloud, advanced analytics, intelligent automation, and cybersecurity. Our passion is to create value, inspire trust, and help government clients deliver better experiences to workers, citizens, and communities.



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