

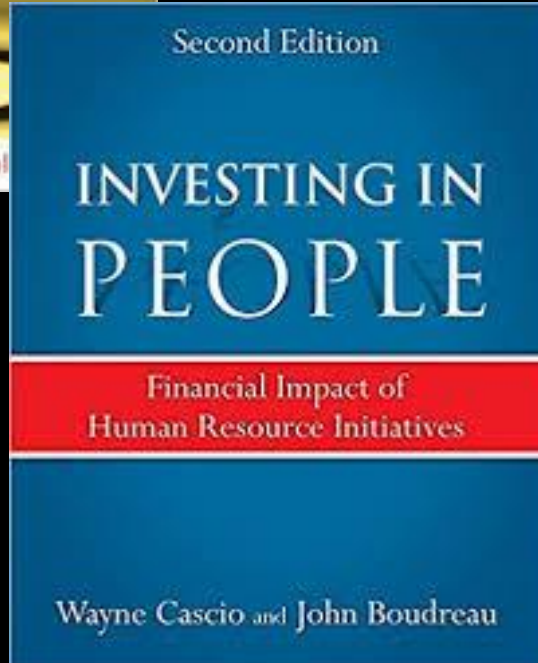
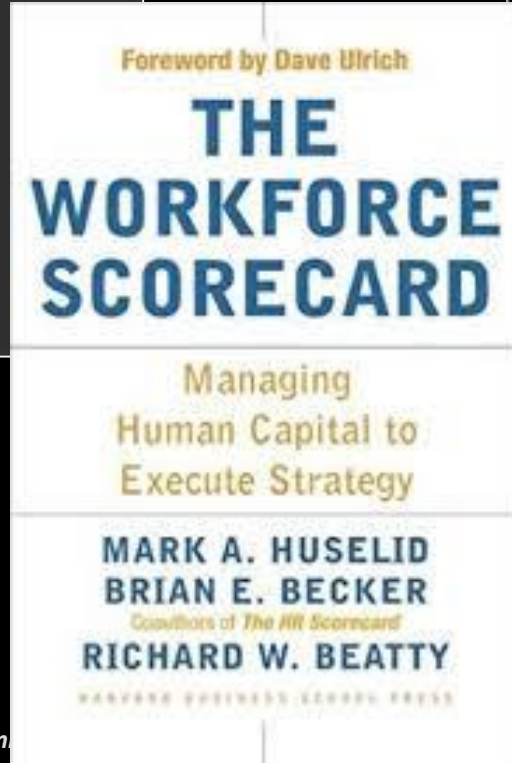
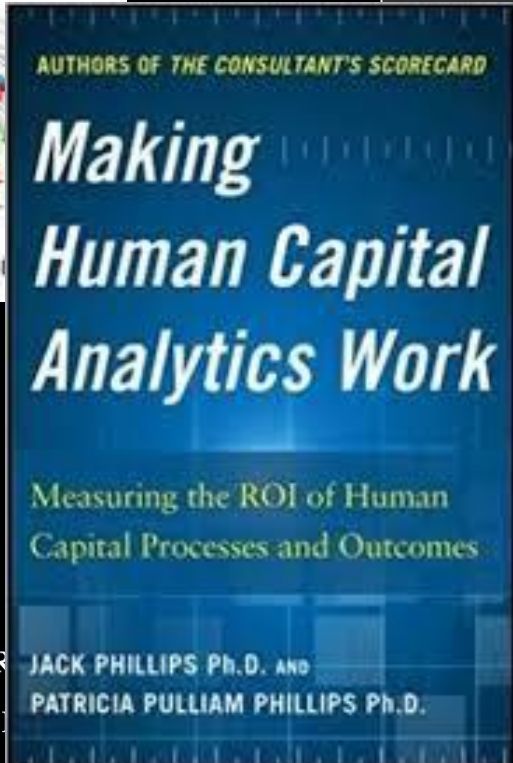
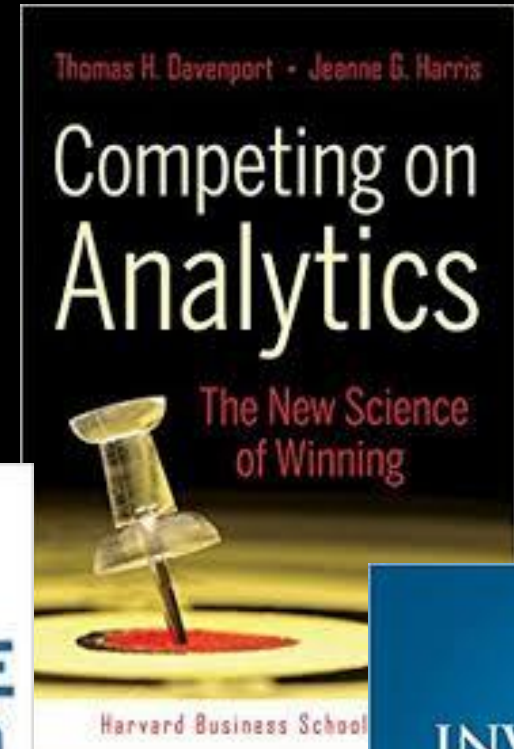
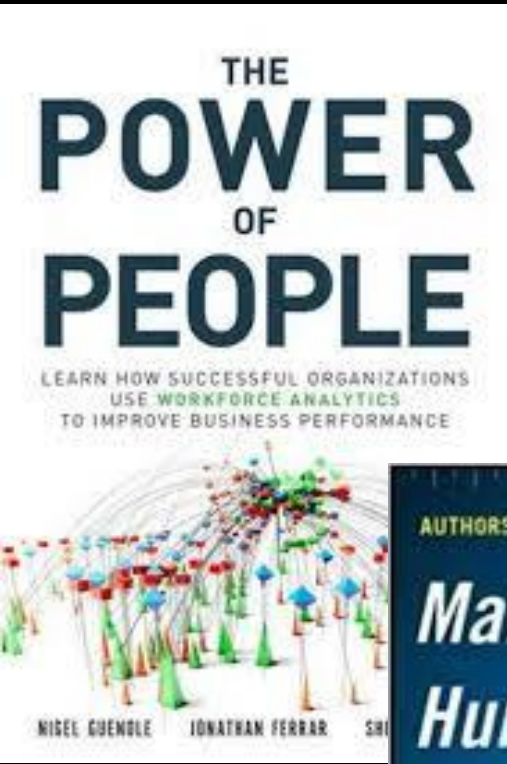


The “Yes ... But” Problem with People Analytics: Data Science, Organization Science, and More

Alec Levenson

Center for Effective Organizations

The debate is over: Analytics are essential





Data science is one of the hottest jobs

“Demand for data scientists is booming and will increase” Tech Target, Jan. 2019

LinkedIn: Shortage of 150,000 data scientists in the U.S. (Aug. 2018)

“IBM predicts demand for data scientists will soar 28% by 2020” Forbes, May 2018

“Data scientists have the best jobs in America, according to Glassdoor” Business Insider, Sept 2017



However ...

Data science is not:

- Organization science
- Business optimization
- Strategy analysis / systems diagnosis

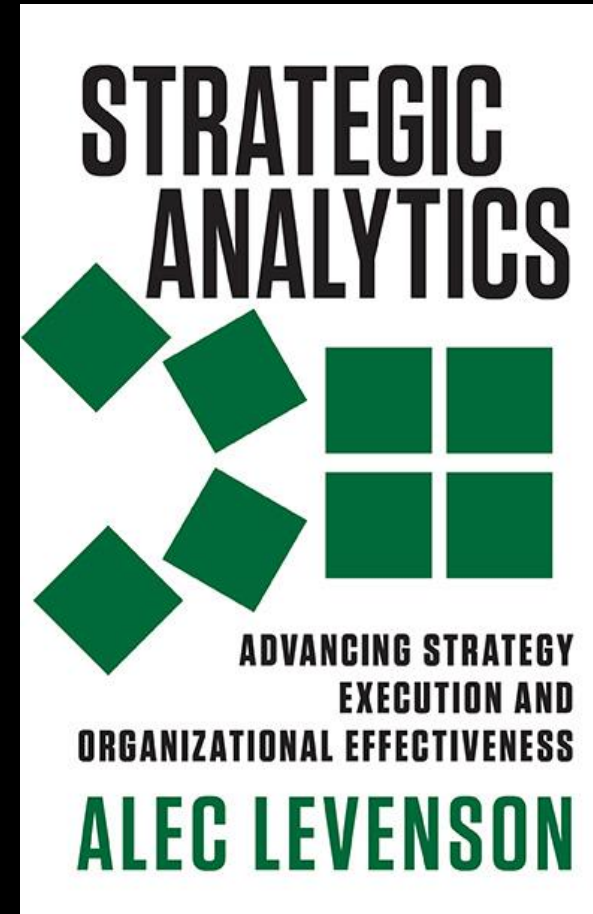


A brief history of people analytics ... in 1 slide

2003



2015

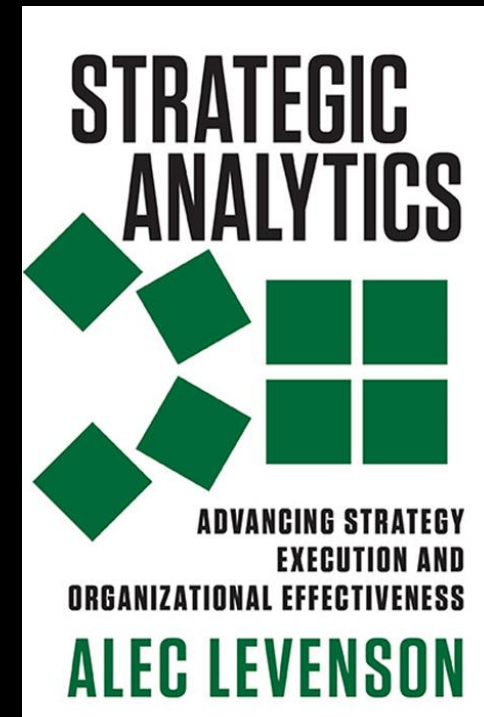
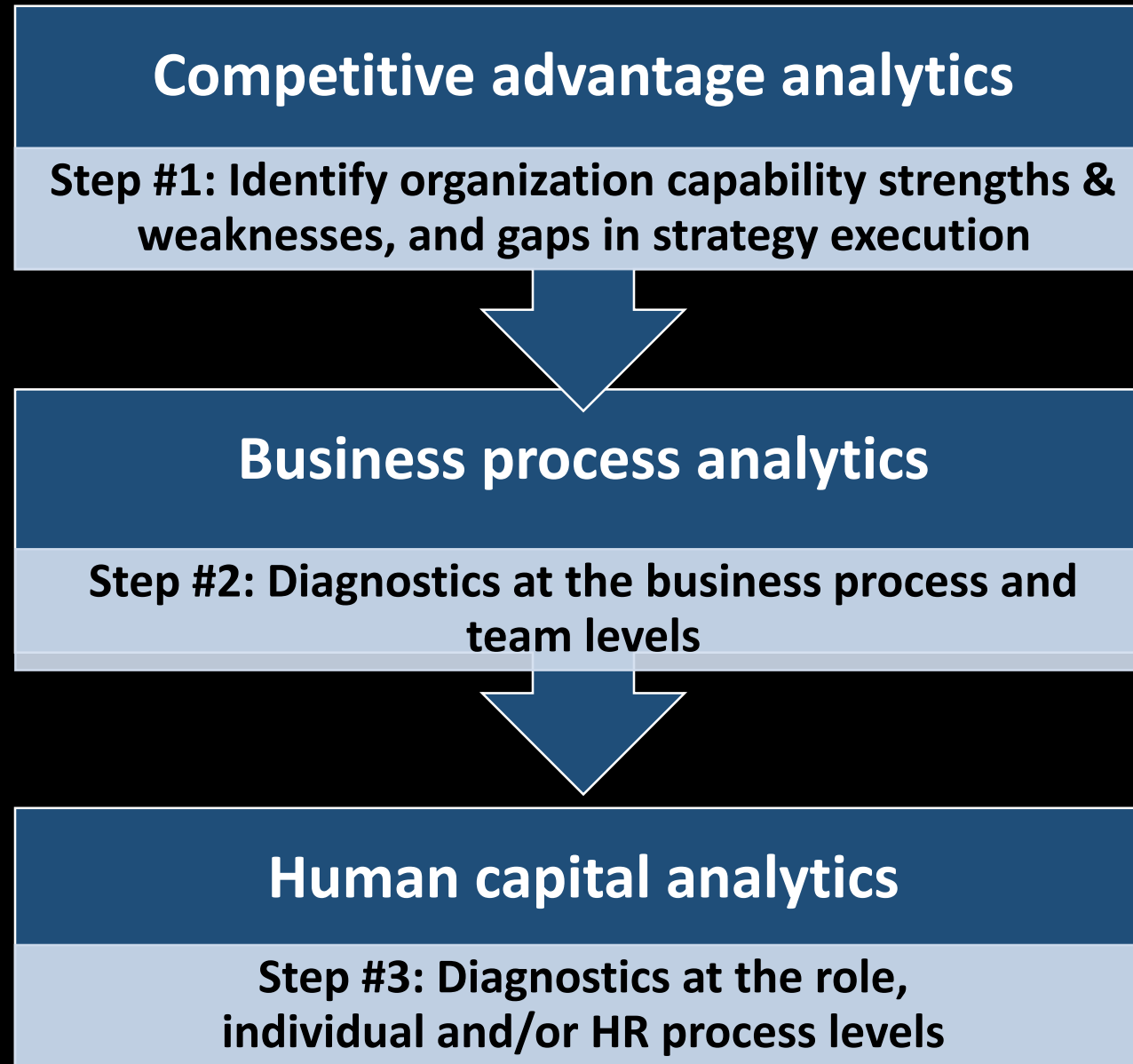




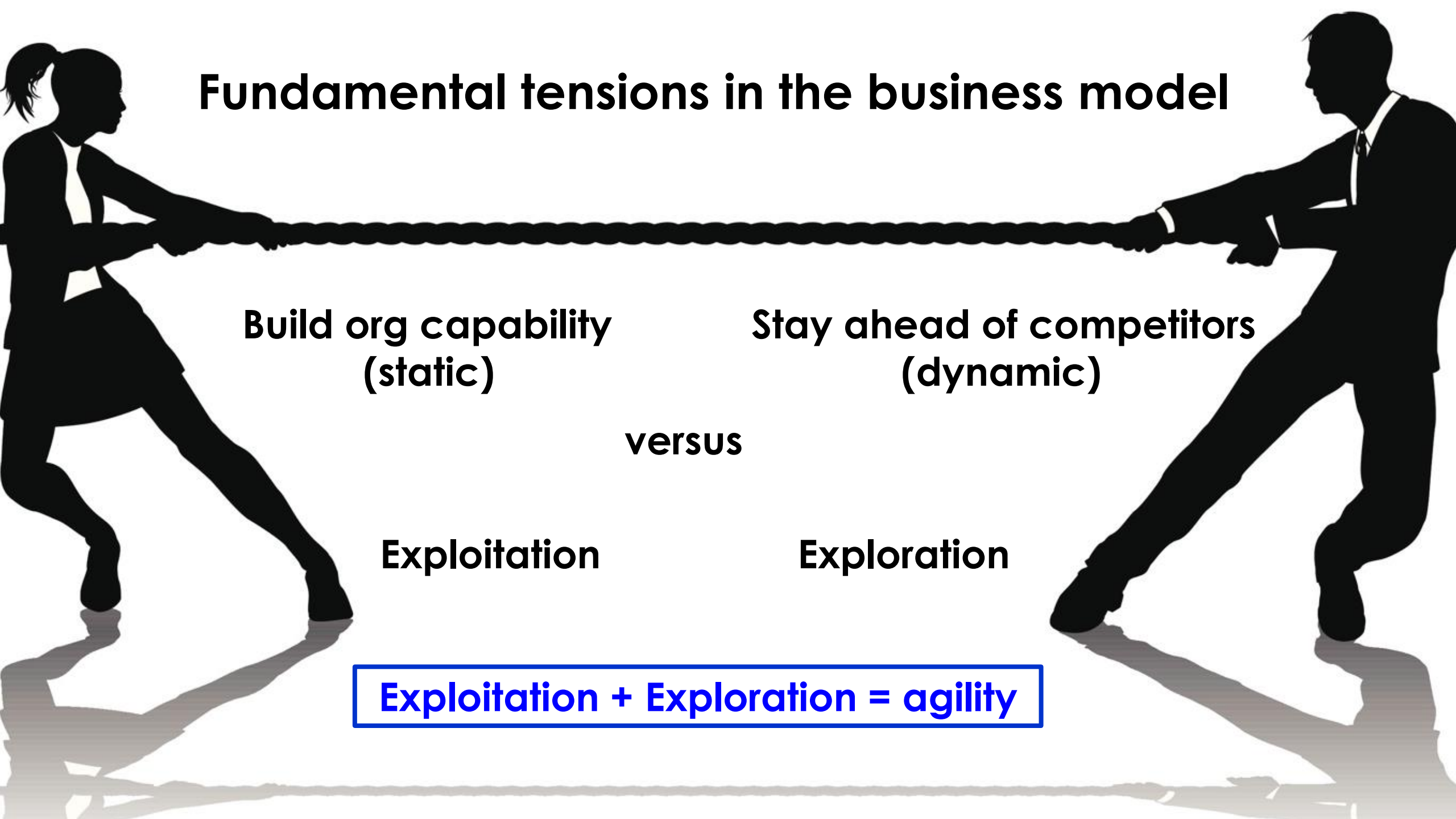
Cisco's story

- Outsourced supply chain to contract manufacturers in 1990s
- In 2000, sales dropped but ordering kept going, leading to \$2.25 billion write-down of raw parts inventory (*strategy + business*, 2001)
- Built system capable of closing the company's books each day
- 2003: what do we do with the data on people?
- Problem: starting with the data, not the business challenge

Start with strategy & the business results to be achieved



Fundamental tensions in the business model



**Build org capability
(static)**

**Stay ahead of competitors
(dynamic)**

versus

Exploitation

Exploration

Exploitation + Exploration = agility

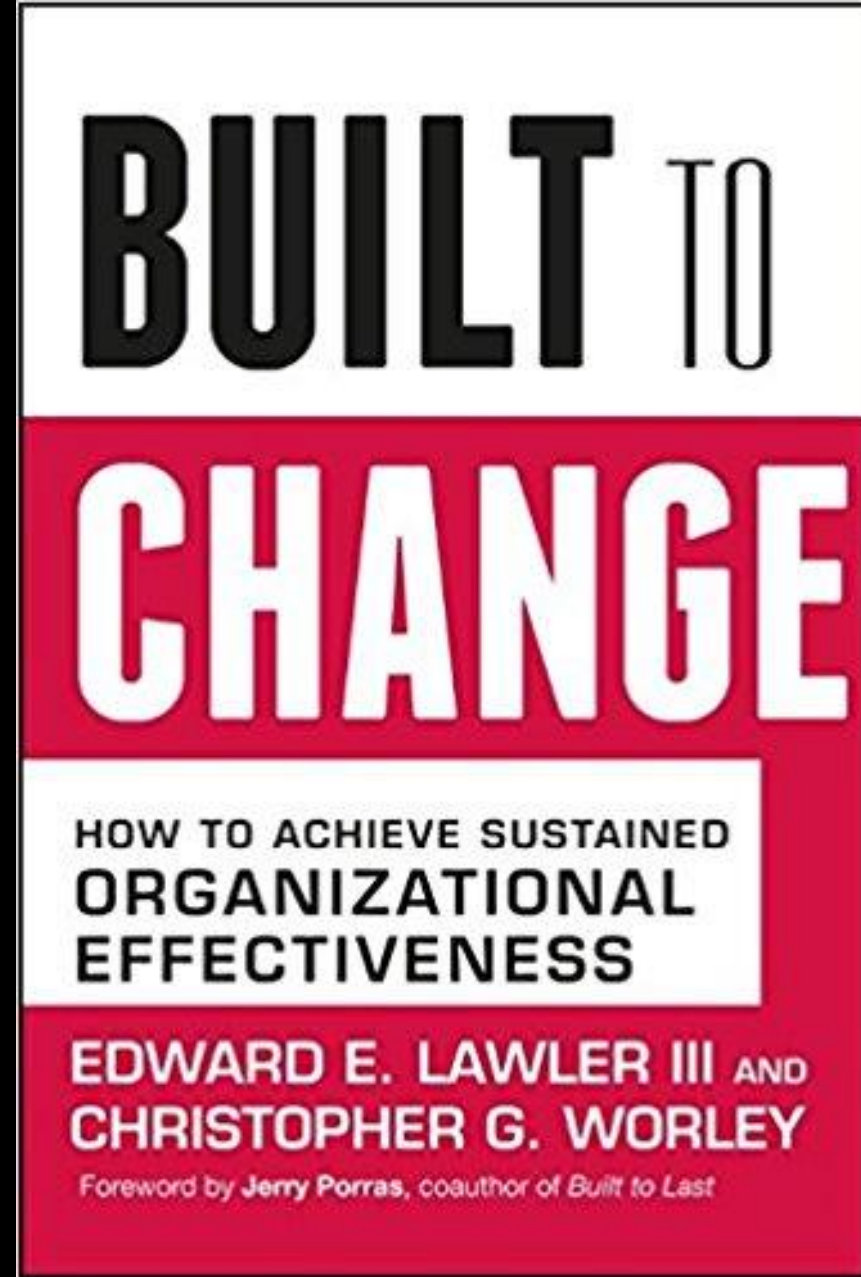


How do we know when we have agility?

What is the role of analytics in identifying
and promoting it?

Business model agility

“The frequent decline of high performing organizations makes a sobering point: successful management approaches and business strategies often have an expiration date ... Some, maybe even most, organization change projects are doomed to failure from the beginning. The type and amount of change that is being attempted is simply beyond the ability of most organizations to adopt successfully. **Admittedly, some organizations have made amazing transformations ...**”

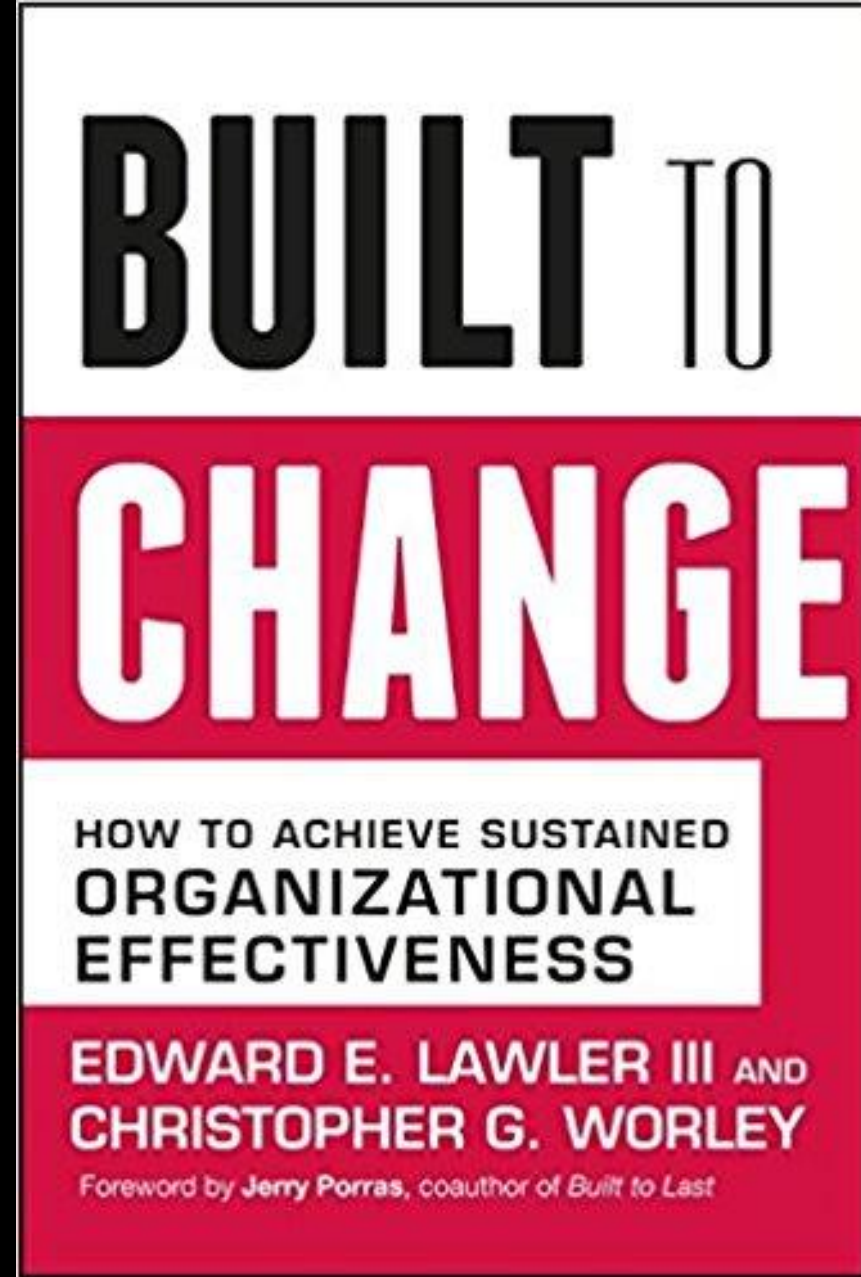


Business model agility

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Nokia, for example, has become a successful global electronics company, even though its roots were in a different technology and a local market.

But the reality is that most change efforts in established organizations fail to meet expectations because the internal barriers to change are so strong.”





Essential analytics skills for business today

Type of analytics	Sample competencies
Data science	<ul style="list-style-type: none">• Statistics• Data management
Organization science	<ul style="list-style-type: none">• IO psychology, sociology, economics• Job design, team design
Business process optimization	<ul style="list-style-type: none">• End-to-end business process re-engineering• Six sigma
Systems analysis	<ul style="list-style-type: none">• Organization design• Scenario planning• Align operating model with strategy



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