



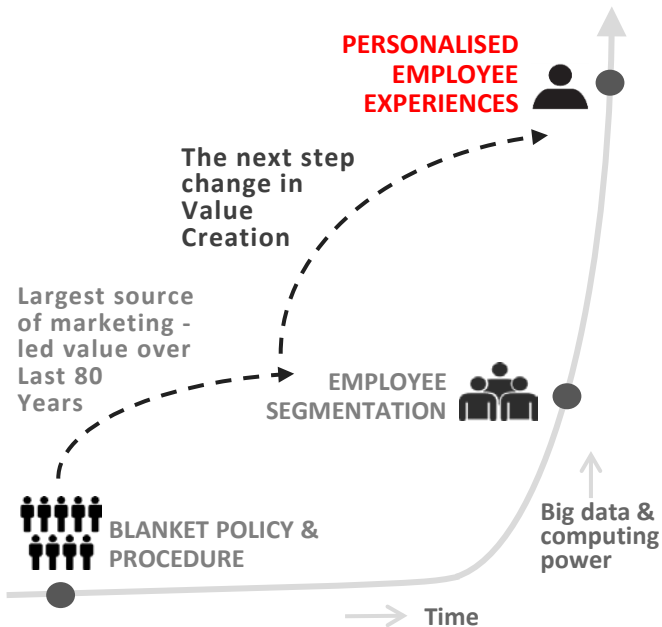
Workforce Analytics

Strategy 2016 uman Capital Analytics Strategy

THE FUTURE IS DATA ENABLED: Advancements in analytics can deliver a new era of personalised employee experience

Data is changing the way businesses operate and how they conduct their relationships with customers. We can leverage these advances for employees using data, digital and marketing capabilities to understand our people better and to improve work place interactions

EVOLUTION OF MARKETING ERAS



"In the next evolution of shared services, employees will be viewed as customers with a focus on providing superior employee experiences"

"The payoff is vast: improved workforce productivity, greater employee engagement and retention, and further cost reduction"

Consumerized Employee Services 2014:



SERVICE LEADERS ARE ALREADY DELIVERING HIGH PERSONALISATION



- Personalised search results
- Personalised advertising content
- Driven by segmented behaviours

WHAT IT COULD MEAN FOR OUR EMPLOYEES

- *Personalised advice and content for Employees and People leaders delivered by digital channels*
- ✓ *Increased engagement, productivity, retention*
- ✓ *More effective employee communication*



Adobe® Marketing Cloud

- Personalised campaign delivery
- Targeted, optimal customer experiences

"Don't reach your customers, know them."

- *Tailored learning and career recommendations at the right time in via the right channel*
- ✓ *Right people, in the right roles at the right time*
- ✓ *Reduced risk and optimised workforce*



- Personalised product recommendations at every stage of the purchasing journey

- *'Employees like you' were interested in these programs, these benefits, this content...*
- ✓ *Increased consideration, participation*
- ✓ *Increased response and adoption*

THE CASE FOR CHANGE: Analytics will help us adapt to, and thrive in the new workplace order

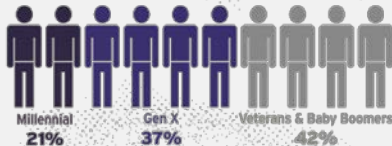
THE WORKFORCE IS **CHANGING** AND BECOMING MORE COMPLEX

Globalisation



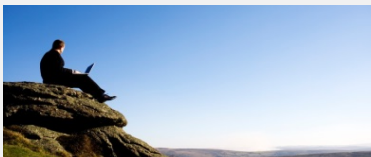
- Outsourcing of talent
- Virtual teams
- Freelance and offshoring

Changing workforce demographics



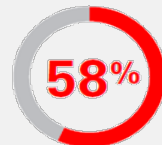
- 5 generations working together
- Gender equality in leadership positions
- Increased diversity

New ways of working



- Flexible work practises
- More project based and less full time roles
- Digitisation of the workforce

ORGANISATIONS WITH **STRONGEST** WORKFORCE ANALYTICS PERFORM BEST



Higher sales per employee



Higher net operating income growth

ORACLE

\$18.9M



IN SAVINGS
for every
\$1Billion in
revenue



VISIER

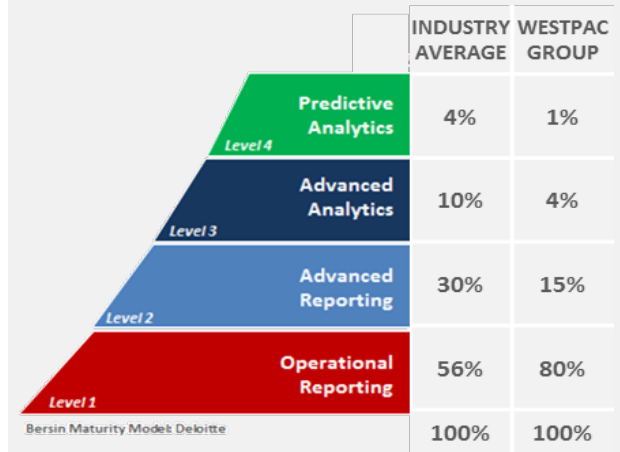
Companies that are leaders in workforce analytics experience:

12% greater talent outcomes

30% higher stock returns compared to S&P 500

3x Improvement in realizing cost reductions & efficiency gains

TO REMAIN COMPETITIVE WE MUST **INVEST** IN ANALYTICS CAPABILITY



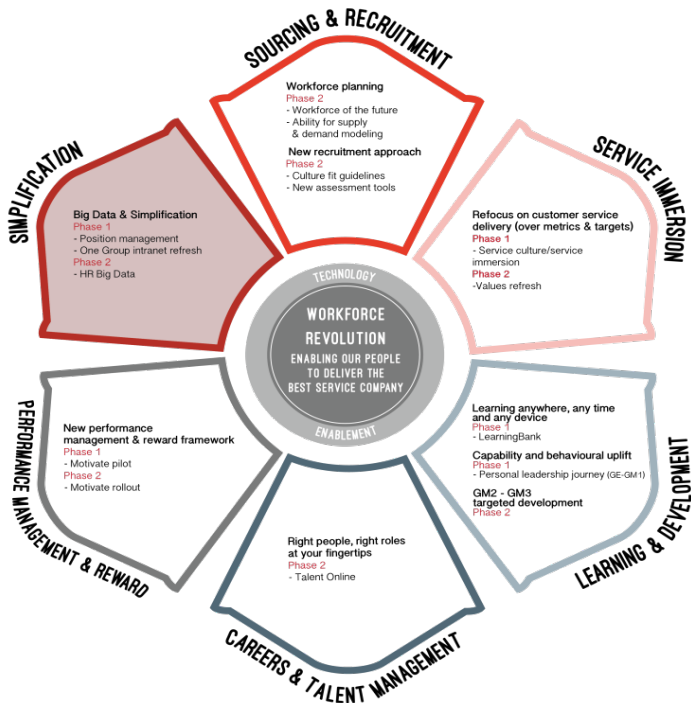
- More than 80% of companies are still dealing with reporting challenges
- Most companies have recognised the importance of increasing their analytics maturity and now investing to increase their analytics capability.

Bersin by Deloitte, Oct 2015

Our assessment of Westpac Group position is poorer than the industry average.

Analytics is an critical enabler to the Human Resources Strategy

HR Business Model



Key Business objectives

1. Employee Experience Leadership

- Know me and hear my voice
- Empower me with insights to lead my team
- Recognise my performance
- Help me manage my career at each step
- Wow me with personalised digital experiences
- I am proud to work at Westpac

2. Best Managed Workforce

- Improved effectiveness of our Human Capital capabilities through analytics
- Understand drivers of workforce cost and realise return on employee investment
- Reduce risk and evolve to an data-driven culture for competitive advantage in the new workplace order

3. Service Leadership

- Multi channel service and productivity
- Self service reporting and proactive insights
- Trusted business partner and strategic advisor
- Move from transactional to personalised and relationship focus

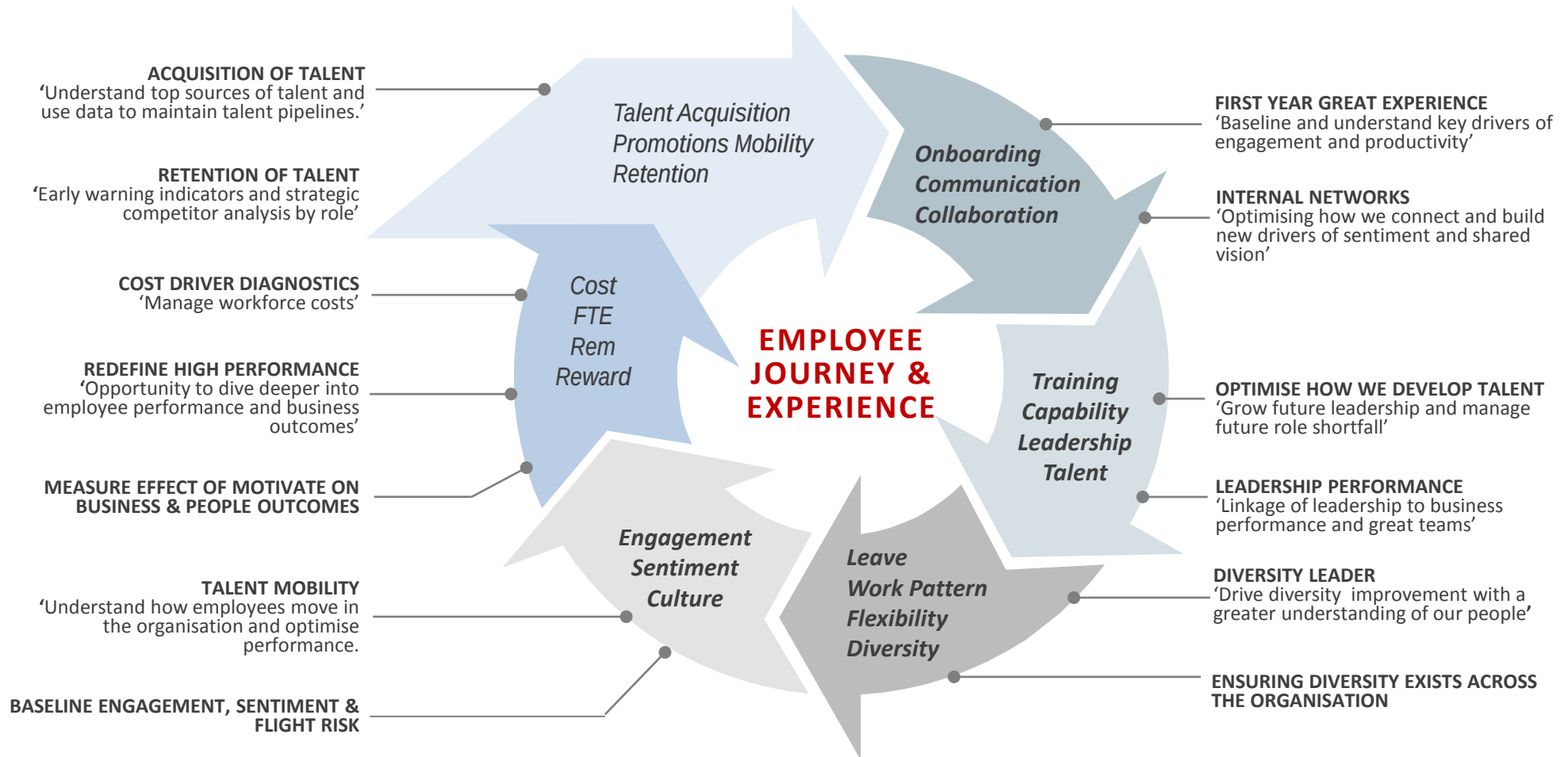
The Analytics agenda



> Human Capital Analytics roadmap and fast start

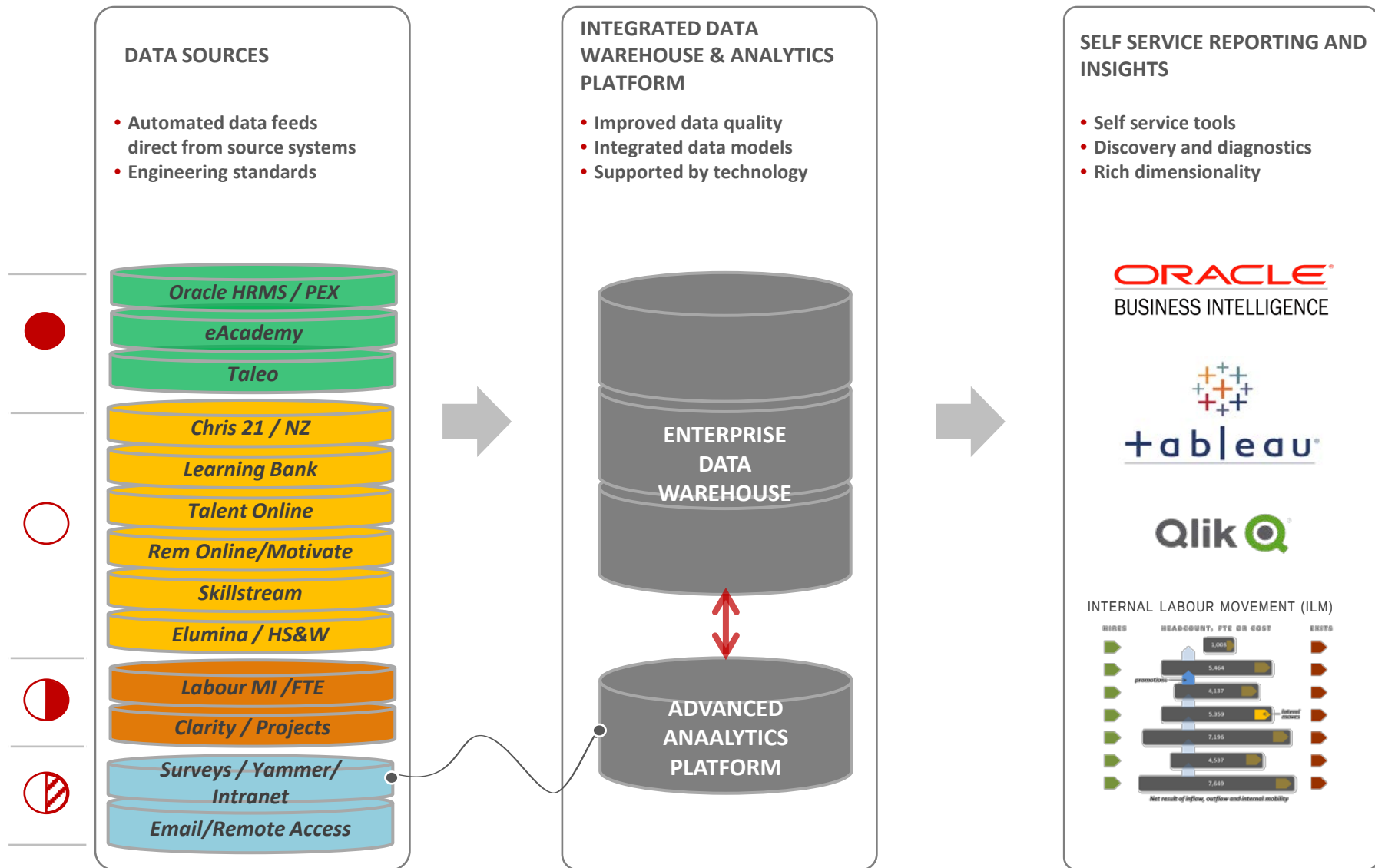
Themes	Description of Target state	Business Outcomes	Foundations delivered FY16
1 Data Governance & Commercialisation 	• Data risk and quality management • Use of Employee data policy • Operating procedure and design standards • HR commercial drivers and business case	• Reduced risk • Productivity improvement • Return on investment • Trust and confidence	• Enterprise Data Governance baseline and roadmap • HR&CAS Data Audit • Human Capital Analytics team formed
2 Digital and Data Enablement 	• Single view of employee data • Data driven personalised digital experiences • People KnowMe Targeted Personalised Content and Communication across employee touch points • Oracle HCM Cloud. Position Management.	• Reduced cost of ownership • Improved management of labour cost • Increased productivity	• Integrated PeopleXpress and eAcademy into data warehouse • Big Data Analytics Platform (Aster) • Tableau Server upgrade • Over 10 key data sources now in the Analytics platform
3 Self Service Reporting & Actionable Insights 	• Single source of truth delivered to leaders - daily, weekly, monthly • Self service access reporting. • Actionable insights and recommendations • Strategic Workforce Planning enablement	• Performance improvement • Productivity improvement • Increased engagement • Release capacity of manual effort	• Internal Labour Market Prototype • Health, Safety & Wellbeing diagnostic and operational dashboards • GroupTech People Dashboard
4 Analytics across the employee lifecycle 	• Rich employee segmentation • Data informed hiring decisions • Predictive analytics and intervention strategies • Diagnose the drivers of people outcomes • Relationship of people outcomes to business performances and customer	• Optimised and reduced labour costs • Improved Acquisition , Retention, Wellbeing, Performance, Talent Engagement, Leadership and Diversity • Contribution to Business and Customer. Cost to Income, Revenue, Profitability, Servicing, NPS etc	• Predictive models for wellbeing and stress • Pathway to Leadership and first year retention modelling • New segmentation models
5 Operating Rhythm & Engagement 	• Consultative Engagement • "Open for business" • Regular and consistent reporting • Insight and research led decision making • Partner with businesses to lift metric performance	• Linkage of people outcomes as drivers of business • Foster HR as business value driver	• Continuous improvements • Well established stakeholder relationships

Workforce Analytics supports our people and business units throughout the employee lifecycle



OUR JOURNEY TOWARDS DATA-DRIVEN WORKFORCE DECISIONS.

DATA & REPORTING TRANSFORMATION: reinvesting capacity in proactive value added activity



➤ OUR DATA STRATEGY: underpinned by principles reflecting the high standards expected of financial institutions

- Governance in terms of risk management, trust and quality decision making
- Commercialisation regarding measuring our capabilities, prioritising based on value drivers and realising return on investments

ENTERPRISE INFORMATION MANAGEMENT (EIM) FRAMEWORK RESPONDS TO APRA'S DATA RISK GUIDELINES



EIM FRAMEWORK

- *EIM is a systematic, formalised approach to manage data risk and quality*
- *EIM covers both existing operations and new projects.*
- *EIM guides improvement in data management capability*

COMMERCIAL BENEFITS

- ✓ *IMPROVED BUSINESS DECISIONS*
- ✓ *INCREASED TRUST*
- ✓ *INCREASED DATA RELIABILITY, TIMELINESS*
- ✓ *REDUCED BUSINESS RISK*
- ✓ *REDUCED COSTS*
- ✓ *PRODUCTIVITY*

HR&CAS PROGRESS TO COMPLIANCE

