How do you use Behavioural Metrics to improve your business?

t-PHI: Promoting Human Integration

Behavioural metrics are the key to understanding your employee talent pool; its current skills, future potential and what makes for success in your business environment.

Behavioural metrics will help you understand why people in your organisation behave the way they do. If you are not measuring the right metrics for the business model you need, then you can get badly caught out competitively.

You are likely to already hold a wealth of data that can form the basis for behavioural metrics including (but not limited to the following): assessment results from recruitment activities; productivity figures; exit interviews; training completed; employee engagement results; performance and 360 ratings and so on.

The key insight is to recognise two things:

- **What behavioural metrics you should be measuring?**
- **Where your business is placed on each key business metric?**

t-PHI has helped a range of high-profile organisations to understand and apply behavioural metrics.

If you are interested in how we do this and how it can benefit your organisation please read on.

If you would like to explore how t-PHI can help you please contact us at:

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Examples of some real behavioural metrics.

Many organisations use 360 feedback surveys. Typically information governed from 360 data is used to gauge current or future competencies across leadership and other groups.

But are we missing out on greater value from 360 that can impact the direction and strategy of the organisation?

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In essence 360s capture a set of metrics about how certain people, such as high-potentials, leaders and other key populations behave within the business.

We have recently developed behavioural metrics making use of our client's 360 leadership results and other key indicators, to make predictions about key organisational outcomes such as employee engagement and business performance.

Case Study 1: How does management behaviour affect employee engagement?

We worked closely with the leadership team for one of the UKs largest transportation networks. The mission was to find out how leadership behaviours influenced team member engagement.

First we used statistical analysis to uncover the correlation between leadership behaviours and employee engagement, then we took it a step further. We built a model that identified how leader behaviour *predicts* the engagement of their team players.

Predictions and outcomes were then transferred into a talent dashboard. The talent dashboard can be used to inform leaders about how their own behaviours are predicted to affect different dimensions of team engagement – *a year before engagement outcomes are realised*!

The behavioural metrics we uncovered mean that the leadership team now understand how their actions (if unchallenged) could influence team engagement in areas like brand identification, morale and task accomplishment. This means that development actions can be planned and properly targeted with leaders and for teams to achieve more favourable outcomes.

Case Study 2: How can past performance obscure future innovation?

We recently worked with one of the UK's most successful private equity companies. We started by assessing whether their existing competency framework was fit for purpose and whether it could be streamlined.

We were able to link measured behaviours from annual 360 assessments to metrics identified with performance and promotions. We also examined whether critical competency areas were properly represented.

We used a combination of statistical analysis and competency mapping to show that the behaviours being measured did predict internal success in promotions, however, the behaviours measured were primarily based on what worked in the past – not what was needed for future success.

Specifically, when we inspected entrant levels more closely we found little measurement of innovation *– however this industry is currently experiencing radical change*, with new process and

competitive constraints. We also found at more senior levels that behaviours associated with leadership performance were linked to preserving the status quo rather than exploring and challenging conventions.

A new competency framework is now under construction…………………

How do we build behaviour metrics to test the future?

An example of this is workplace productivity. This is usually measured in terms of profit, deliverable services or products against a cost. But these metrics are of limited value when considering behavioural metrics:

a) Behavioural metrics linked to delivery of complex services and products are inherently difficult to measure and may be poorly represented in competency frameworks.
b) Productivity drivers are difficult to identify at a behavioural level.

So how does an organisation know what works and what doesn't work when faced with complexity or new business models – the answer is to use simulations and rapid, agile A/B testing?

Bersin by Deloitte predicts that 2017 will be the year that HR will 'stop designing programmes and *start designing experiences*' (Deloitte, 2016).

t-PHI has developed immersive assessment centres and simulation environments to let leadership and other teams experience the future, if you want to learn more about how we do this go to our website at http://www.t-phi.co.uk and sign-up for a virtual tour!

Never give up – the rewards are AMAZING

We have described how behavioural metrics can add value; how to introduce new behavioural metrics; and how to use these to get insights into the future of your organisation.

You too can unlock and re-purpose the value from behavioural metrics putting you miles, if not years ahead of your competitors!

References

Bersin by Deloitte., Research Report 2016, *'Predictions for 2017: Everything Is Becoming Digital'*. Available at URL: http://www.bersin.com//uploadedFiles/predictions-for-2017-final.pdf?aliId=94084391 (Accessed December 2016)

To discuss any element of this paper – or to organise a call about unlocking your organisations *behavioural metrics* contact:

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