The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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Jacob Morgan:	Hello, everyone, and welcome to another episode of The Future of Work podcast. My guest today is Jeremy Welland, the Global Head of People Analytics at PayPal. Jeremy, thanks for joining me.
Jeremy Welland:	Thanks for having me.
Jacob Morgan:	Before we start talking about all the fun stuff, I'm curious about you. How did you get involved in the whole people analytics space? I know you have a PhD in sociology, I believe, so how did all of this come into the people analytics space for you?
Jeremy Welland:	[00:00:30] It's a great question. I believe, like many of us who are in this fairly new space, some of it's an accidental stumbling. At other points of time, we directionally try to go after new opportunities. For me, it was a bit of both. I started, as you mentioned, in behavior science. It was actually a program in social psychology, the University of Wisconsin for my undergrad where I worked [00:01:00] on motivation, and then moved to the University of Michigan where I worked on judgment and decision-making as well as behavioral economics and some other fun areas.
	After I got out, I knew that I wanted to move into industry rather than being a full-time professor or a teacher, and I landed at a consulting firm. Actually, it started as International Survey Research. It went on to [00:01:30] through a series of mergers and acquisitions to become what is now Willis Towers Watson, one of the largest human capital metric firms. There, I really, under the mentorship and guidance of a number of great people who work there, some still working there today, had a chance to do some fun stuff that I probably didn't even know I was in the people analytics space at the time. I had a number of wonderful clients [00:02:00] working on some pretty big projects for executive vice presidents, CEOs, presentations to the board, and then after getting out of management consulting, doing that for a couple of years, I landed in a number of organizational roles. That's my journey that brought me to where I am today.
Jacob Morgan:	What's a day like for you, a typical day, starting from when you wake up to when you get into the office. What's a day in the life of Jeremy?

Jeremy Welland:	[00:02:30] Sure. I could talk about my day in the life. First, I should just define that we have a number of different groups who help, support, and provide either the inputs to the things that we need to be successful in our job or other colleagues that I work with who are clients and customers of some of the outputs that we produce.

[00:03:00] For me, specifically, at PayPal, I head up three main functions. The first is the building out of a people data warehouse so that we have one true source of data from all of the different transactional systems where we're collecting information on our workforce across the lifecycle. The second of three areas is business intelligence and reporting. We use a number [00:03:30] of different tools, probably many of the listeners of the podcast have used such as Tableau. We even have vendor cloud-based tools like Visier and other types of talent and workforce products. Then there's a third team. I had a number of really nerdy data scientists, folks with masters and PhDs that can do the statistical analysis and the machine- [00:04:00] learning and other modeling techniques that can answer some often questions our leaders and others are posing to us.

A day in the life is really about, of course, developing the vision moving forward for how to mature each of those three areas. That's the strategy, as well as the executional work. We have a number of different pillars to help support the CHRO's plan, and then also looking [00:04:30] out at other folks within PayPal and how can we provide them with workforce-related and people-related insights to help drive their business success. We have just dozens of projects that we're working on in any given day, any given week, both within our people team. We work very closely with our office of the chief information officer, also with our enterprise [00:05:00] data systems team, and then finance is a partner, our business unit workforce planners, that team, as well as our people business partners, typically our HRVPs, those teams.

There just a number of different teams that we interface with across a variety of projects that touches every element of the talent lifecycle from hiring to engagement [00:05:30] and movement and growth and development all the way to diversity inclusion, succession planning, and of course, retention and attrition modeling. |
| Jacob Morgan: | Are you up at like 5:00 in the morning and then straight into the office, or what is your routine for your day at PayPal? |
| Jeremy Welland: | Oh, that's great. Yeah, not quite 5:00 a.m. Every once in a while ... We have a global company. We have over 18,000 regular [00:06:00] employees as well as consultants and contingent workforce folks that we contract with to help drive our business forward. There are teams that I liaise with not only here on the West Coast. We work with folks up in Oregon or in Scottsdale, but then we have our folks in either the Midwest or East Coast, and then we have a team in Chennai. In fact, some of our enterprise [00:06:30] data systems folks are over there. |

The days in which I might have to be up at 5:30 or 6:00 a.m. Pacific are days in which I'm collaborating, and collaboration is one of the four key values that we have at PayPal, and so we really look towards, we look to other teams for thought diversity and helping to support us and standing up different, designing and delivering different [00:07:00] products.

That's a huge thing for us. I think one big tenet behind providing excellent client and customer delivery with people-related tools and systems is the fact that we are able to work with the advanced infrastructure, backend infrastructure, software development, data integrations teams. We're really looking to expand [00:07:30] our self-service model. When you think about service delivery in terms of clients that can go up and get a tool that they use themselves before reaching out to a [inaudible 00:07:41] excellence subject matter expert, we're really trying to push some of that automaticity. Some exciting that's that we're trying to do is incorporate artificial intelligence and machine learning and other aspects to expand upon the usefulness of self-service, so it's not just [00:08:00] your traditional self-service, but instead, it's an entire service-delivery model that scales up from self-service to then self-service plus AI to then traditional people-related, white-glove customer service through our business partners and centers of excellence. We're trying to use artificial intelligence to augment and expand out what self-service means with people, systems, and tools.

Jacob Morgan: Oh, and I have lots of AI [00:08:30] questions for you. Don't you worry. But it sounds like a typical day for you is lots of meetings. I mean, do you have some kind of workplace-like stability and work-life balance or is it, as long as you're connected, you're always working? What is the work environment like at PayPal for you?

Jeremy Welland: That's a great question. I'll get back to those values again. We have collaboration, innovation, inclusion, [00:09:00] and wellness as the four key values. This was an exercise that our CEO and CHRO [inaudible 00:09:09] conducted, and I would say some of it, we live every day, some of it is more ascribed, so it's not, maybe a little more aspirational than what we would like, but I remind my team of that.

Speaking of day in the life, to answer your question, I am in meetings, [00:09:30] but we also want to take care of our people, so I believe, for me, it's important when I'm checking in on a weekly basis with my team members to not only to ask them what are they working on, but ask them the how. How are you getting along with other team members? Are you getting the support that you need, and then that might be weekly.

Every month, I make a concerted effort to check in on development and growth. We'll talk about various things that [00:10:00] relate to whether or not they are thinking about trainings or online courses, university classes, conferences, seminars, books, mentoring, coaching, job shadowing, stretch projects, employee resource groups, industry consortia, vacations, anything that can

bring wellness and happiness in their life. I think that's also important. It's not just 100% about business.

Then also, performance management has [00:10:30] changed, so rather than just doing year-end reviews, I'm also trying to foster and incorporate more traditional check-ins with people. This is something that started with my time at Pandora Media and they launched a revamp of their performance management system. I think we're also still learning with ours, and so I'm kind of doing a test case, but so in addition just to project, meetings, and initiatives, the people side is important at PayPal as well.

Jacob Morgan: [00:11:00] Oh, absolutely.

Jeremy Welland: And then-

Jacob Morgan: Yeah. Oh, go ahead, go ahead.

Jeremy Welland: And then to answer, just to finish up on your question about wellness, I think the other thing, which is great, I have worked a, enabled on my smartphone, and sometimes, I'll get a Skype or a text from my recruiter if I'm actively recruiting, and obviously there are lots of workflows and processes, having it go through different people in their inboxes. When we want to move quickly on bringing someone [00:11:30] in, I might be standing in line checking out at a grocery store, I get a buzz on my phone that says, "Hey, waiting in your inbox for approval is this certain thing, X, Y, or Z." I'll approve it, and then it goes on to our finance partner or workforce planner or my boss, et cetera, and in order to move those things quickly, I might ping that person.

                       I think the extension of the office into our lives is inevitable [00:12:00] in some cases. We want to try to manage it and minimize it as much as possible but still move at the speed of business.

Jacob Morgan: Got it. Let's jump into some of these fun people analytics discussions starting off with where do you sit within the organization? Are you under HR or is people analytics inside of PayPal its own entity that exists across the organization?

Jeremy Welland: Great question. I think I can answer that for today and give you a [00:12:30] quick teaser into what I think will happen tomorrow, like five, seven, ten years out. For today, I do sit in what you would call traditional HR. Here at PayPal, we call it [inaudible 00:12:41] team. It's several hundred folks spread throughout the globe, and we're one of the larger teams. We're actually, the title of our team, our greater team is the [inaudible 00:12:52] Strategy, Analytics, Technology Group, and so I-

Jacob Morgan: People Strategy, Analytics, you said People Strategy, Analytics, Technology Group?

Jeremy Welland: That's right.

Jacob Morgan: [00:13:00] Okay.

Jeremy Welland: I have ownership for the aspect related to the three things I mentioned: data warehousing, business intelligence reporting, as well as advanced predictive analytics. I work very closely with my colleagues. The people technology group manages dozens of systems including, our major HRIS is Workday currently, but we have lots and lots of other systems where we're generating transactional dispositional data [00:13:30] that eventually I can ingest and put into one spot, a secure environment we entitle the people data warehouse.

Then I think that we have other teams within the People Group or the People Team overall that obviously they're our clients and customers, but Jonathan Ferrar who just wrote a great book talked about any great people analytics group that wants [00:14:00] to ensure its own survival shouldn't just be producing products for the HR team. We should have that as an important stakeholder group; however, we should always be looking out with a scan to see how we can help support and solve for really important business imperatives, initiatives, and things that will make our other functional teams successful.

We're doing exactly and precisely that. That's kind of a teaser into my future answer, which is [00:14:30] I actually think in the next five, seven, ten years, there's going to be a lot of blending of the things that I do to try and understand our people data means that I need to understand operational data or customer data, marketing and sales data, maybe finance data.

A leader, when a leader when she asks a question, it's not just, "Hey, I want to meet with my people person and only get people data." Oftentimes, you might ask a question, [00:15:00] and it actually sort of is spread, that question, the data that's required to answer it is spread amongst two, maybe even three major warehouses, so I think the role of a chief data officer, the role of someone like enterprise data systems to pull together all the pieces, makes sure that we can have data move securely and build the analytics layers and build out the hardware, software, and integrations that are needed is [00:15:30] centrally important. That certainly stretched my skillset. I'm a psychologist by training and social psychology, and I don't have a degree in masters of information systems or management, but I'm willing to learn, and I recognize the importance of technology and tools.

I think in the future, a group like mine, maybe it sits in HR, maybe it sits within a consortium of folks that have dominion over a particular [00:16:00] vertical of a data warehouse, and then as colleagues into the future, we would collaborate and figure out how can we provide a one-team, one-solution view to a particular [inaudible 00:16:13] by scanning a cross-formally disparate data marts, data stores, data warehouses, data cubes, and bringing all of that information together seamlessly to answer questions quickly for leaders.

Jacob Morgan:	I think that's where we can touch on in a few minutes where AI can certainly [00:16:30] be helpful as well. Looking at your team, how big is the People Analytics Team inside of PayPal, and maybe you can give listeners a sense of who your team is comprised of, so what kind of skillsets or roles are part of the People Analytics Team.
Jeremy Welland:	Yeah, great question. I think every organization sets up their team to meet the organizational needs; however, I do believe there are best practices. I mentioned those three [00:17:00] teams. If I start with the first of three, we certainly have a small presence in data warehousing. I have a business systems analyst that works on a lot of the ETL that is needed as we're taking information, say, from a Workday, central HRIS and bringing that down into the PDW, doing the computations, calculated fields, and data tables and other things, metadata and code books that are going to be necessary for [00:17:30] either the data scientists or for our reporting team analyst to build out the data visualizations.
	That's actually a small team, and I don't see that necessarily growing because we get matrixed support from the two groups that I mentioned before, our CIO teammates as well as our EDS enterprise data system teammates. We just hired out a new chief [inaudible 00:17:59] within [00:18:00] the IT group that has a primary and sole responsibility for HR-related data. Likewise, we also, in our enterprise data systems where we do a lot of our APIs, data integrations, hired out a specific 100% FTE around designing and delivering and deploying our data warehouse needs from backend infrastructure standpoint and the data integration standpoint.
Jacob Morgan:	What was the role [00:18:30] you said right before this point? You cut out there for one second. You said you just hired a?
Jeremy Welland:	We hired a systems architect.
Jacob Morgan:	Ah, okay, systems architect. That's what it was.
Jeremy Welland:	Right.
Jacob Morgan:	Okay.
Jeremy Welland:	Those folks don't report to me, but I meet with them on regular and constant basis to matrix, a matrix environment to have them work with folks on my team to build out these systems. Then the other teams, we have a few [00:19:00] data scientists, each of whom is assigned to different projects to look at an end-to-end discovery, planning, design, coding, building, testing, ramping up for production and go live, and then monitoring. Actually, the support piece actually gets kicked to over to EDS and OCIO, our tech teams, but it's a full SDLC [00:19:30] of the software development lifecycle viewpoint of building out tools ourselves, or in some cases, looking to vendors. Obviously, we don't want to build it if we can buy it quickly and cost-effectively.

That's a few on the data science side, and then we have a five-people on the descriptive reporting side, so this is our traditional business intelligence reporting who work with folks to pull reports and make sure that our systems are used and useful [00:20:00] for our clients.

Jacob Morgan: Wow, so it's actually a pretty small team. It's you, and basically, your core team is five other people, and then you have, it looks like maybe people that are not directly part of your team, but the systems architect doesn't sit directly under people analytics, right? I'm assuming that's maybe under the CIO or something there?

Jeremy Welland: Yeah, actually, so eight folks in total. We have one BSA, business systems analytics who's working on the data warehouse side. We have three [00:20:30] folks that have been hired in as part of our people data scientist team, and then we have five business intelligence reporting analysts that work more on the descriptive side of things.

Jacob Morgan: Okay, got it. It's actually a very, very small team, I mean, compared to 18,000 people that work at PayPal, you probably have a ton of data, tons of questions that you are being asked and are trying to answer, so it seems [00:21:00] like the team should be, or maybe in the future, will be maybe like a hundred people. I mean, it seems like that kind of the direction that things are going, but you guys are small and nimble and being able to do a lot with such a tiny group.

Jeremy Welland: Yeah, it's interesting you mention that. I guess I hadn't thought about it that way. Certainly there are groups that start to look at metrics of what are the number of support partners you have per 1,000 employees, and I'm sure we might be able to [00:21:30] benchmark it and say, "Do we have the team that's needed?" but certainly, right now, I'd say we're nimble. This was an investment, a multi-million dollar investment that was made mid last year, so the People Strategy, Analytics, Technology Team did not exist in its current state even just one year ago. The number of folks that we brought in and hired just over the past year has been tremendous, so we, I feel like we've [00:22:00] been ramping up, ever since our split from eBay two years ago as a single separate company called PayPal, this journey is certainly new for this company, this organization, and we'll continue to ramp up.

Now, what I do want to say is, number one, we do have a separate workforce strategy and a planning team, and part of [00:22:30] that so it doesn't sit underneath me, and that's purposeful. What we have always said is that you can't just have insights without action, and it's really about translating the insights and data-driven tools that we're building into things that can be used by, again, our people [inaudible 00:22:50] partners, our business unit, workforce planners, and stakeholders there. We have a core workforce strategy and planning team. That's about a half-dozen people, [00:23:00] also with a head, a global head that leads that core team, and we work very closely with that team to help understand the requirements and the needs and build out certain tools or engage in certain analytics projects to answer those needs.

Jacob Morgan:	Can you give us a sense of what sort of things have you been able to uncover at PayPal? In other words, since you've been working there, are [00:23:30] there any specific questions that you've been tasked with answering that you've been able to find unique solutions for? Maybe it's around what motivates people or what drives engagement. What sort of things have you been able to uncover or learn with people analytics inside of PayPal?
Jeremy Welland:	No, that's a great question. I mean, we certainly have a number of different business cases and use cases across the talent lifecycle. We do everything from starting with [00:24:00] at the strategy end of workforce planning, getting into hiring onboarding productivity. We look at collaboration, growth and development, and of course, attrition modeling and retention. We've had some really cool projects this year, things that I've been quite proud of what my team has accomplished.
	I know just recently, actually publicly, our CEO commented on a really hot topic in technology [00:24:30] and [inaudible 00:24:31] area space right now, which is diversity and inclusion, and certainly, everything that we're seeing in the treatment of, say, women in the workplace or the treatment of ethnic and racial minorities and the opportunities that they're given during hiring or the inclusion opportunities when they join the organization or in terms of the culture and climate on whether or not we can retain these folks within an organization.
	We certainly had [00:25:00] an opportunity to look both descriptively at what's the shape and current state of our organization as well as, inferentially, can we answer the question of whether or not we have pay parity. We started out by going to, ask and speak with lots of different colleagues in the space. I know Salesforce and Microsoft and others that are out there have also made [00:25:30] similar announcements by their CEO. Dan Schulman, our CEO, is just right up there in trying to drive and really lead the effort here with diversity inclusion. We're happy to announce our results around pay parity, and then we continue, my team continues to think about [inaudible 00:25:53] can really help us be better as an organization to monitor and track things that [00:26:00] will help keep us up on the path that we have of wanting to be a diverse and inclusive organization.
	I was really proud of the work that we did there [inaudible 00:26:11] effort with lots of different departments coming together at comp and rewards and legal teams and my data science team, and then, of course, reaching out to others that are doing great work in the space.
Jacob Morgan:	It sounds like, for that particular example, the question was do we have equal pay [00:26:30] inside of PayPal, yes or no, and so I'm assuming the answer was no, and then you had to take steps to make it equal. That's where people analytics fit into that example.
Jeremy Welland:	Yes. We, actually, when we were getting into this, it's really an effort where a lot of people need to stand up, and our people business partners working with

managers and the comp and rewards team, and across the board, we were [00:27:00] able to say that we are now 100% with where we're at in terms of paying groups of folks that are doing similar jobs in similar locations of equitably. That's one that I'm really proud of.

Another one that we're doing, I mentioned earlier Jonathan Ferrar in his book said focus not only on building out tools for HR, but also outside of HR. We're currently working on an initiative to understand what [00:27:30] collaboration, productivity, and the quality build of products looks like. It's about bringing together lots of different information from formally disparate data sources and data sets into one common spot to start to model out what's happening with our teams.

We have a really big initiative around how do we ensure that we don't lose our culture of a startup where we can move nimbly [00:28:00] to iterate and build out client products quickly. We're actually forming teams. We've looked out to best practices at Google and Apple, Amazon and others. We've looked at durable teams that are aligned around rapid iterative prototyping and really delighting and providing exceptional customer service around the design and delivery of products.

There are a lot of data that can come out of that, and our team [00:28:30] wants to collaborate with these other teams within PayPal to make sure that if there's things that we can do descriptively to show how these teams are functioning, or even deeper dive analytics behavioral research projects that we can conduct with the intent of having insights around how can we make employees and managers of these teams and leaders better in what we do? That's really our goal and [00:29:00] objective here. That's a really fun project, and to have a-

Jacob Morgan: That's an ongoing one, right? That's like you're in the process of trying to figure that out.

Jeremy Welland: That's right. Yeah, we're in the discovery stage, and I think for folks that are in the people analytics space listening to this podcast, defining productivity is hard. I mean, it's, if it were simple to do, I think there would be books written about it, but certainly, people have tried, and I think right now, we're just really trying to [00:29:30] bring a lot of thought diversity and innovation into the space of what we're doing. We're early in our journey, but we hope to have something leading into 2018 that we can share out with some of our senior-most leaders at the company.

Jacob Morgan: Aside from the diversity and inclusion piece, have there been any other examples of where people analytics has been used to already do something. For example, have you been able to [00:30:00] figure out, I don't know, like what motivates certain teams or who might be leaving the company? Have you used it for any of those or any other specific places where you have any interesting examples or stories?

Jeremy Welland: One big space, and certainly vendors are always apt to want to talk to us about it is, is with the retention and the attrition modeling. A lot of this ... Some [00:30:30] great work actually started in the marketing space around customer churn, lifetime value of the customer, and looking at segments and profiles, using some statistical techniques like k-means clustering, or even some more advanced techniques like some of the latent profiles and other things. We've actually borrowed a lot from our marketing brethren and sprinkled some industrial organizational psychology in some of our own models [00:31:00] to bring about an attrition risk model as well as, actually, say, a set of models, as well as a retention campaign.

It's really around identifying and defining out your critical talent pool. We had an exercise where we looked at key talent, defining the aspects of key talent. Is it a [inaudible 00:31:26] potential employee, is it a high-performing employee, is it a critical role [00:31:30] that's maybe difficult to hire because it's a hot talent market space, and also, it's very important for the company. It's not something that you could, say, just give out to a consultant or job task out or offshore it or something like that.

After we defined out that basket or bucket of what key talent were, we can then, of course, look at aspects of predictive modeling of what are the features and attributes that we know [00:32:00] about these talent groups that are important for driving whether they want to continue to show up to work and bring their talent and strengths to the organization, or they take that elsewhere.

It's interesting to me because I'll have vendors come in, and they'll say, "Oh, I have a machine-learning model. You just flip on a switch," and oftentimes, I think it's, we wanted to slow down and really ask, well, what's the psychology [00:32:30] of this? Do we understand the employee? Is there a one-group solution where all employees think alike, or do we have certain segments that we have to model on? If we were to model, let's say, we actually ended up with three different models, are the parameter estimates that we pull out of those models, which are the drivers of engagement or drivers of staying and leaving, are they the same parameters across [inaudible 00:32:55] groups. If not, what are the idiosyncratic drivers for certain [00:33:00] populations, and how can we align some of the insights and knowledge that we're getting out of that to policies and program investments or de-investments? We can see maybe we're spending in an area where that spending can be redeployed based on some of the findings.

We settled on three models. We actually have, first of all, we have a very large contact call center, and we know that the psychology of folks answering phones, working on the frontlines [00:33:30] with our customers and merchants is very different than, say, our tech workers or some other professionals that are doing much different work. For us, there was a little bit of art also sprinkled in with the science. That was the first big segmentation of taking the thousands and thousands of contact call center folks and doing a separate model compared to tech and other professional workers.

Then [00:34:00] we also additionally made the decision to model a leadership team. We actually looked at our top 1,000 out of the 18,000-plus folks and said, "When we look at directors and above, is there a psychology to the folks that are leading those teams and creating strategy and driving a really important scoped work for the business? What does that look like?" Of course, you also want to think about [00:34:30] the outcome. Are you modeling to just all terminations, or are you going to separate it out, and do you have information in your HRIS would suggest involuntary versus voluntary terminations? Even for voluntary terminations, do you want to look at just regrettable versus the folks that voluntarily are leaving the organization but maybe aren't regrettable leave.

We actually decided on, again, looking just at a subset of the terminations of voluntary regrettable. We're actually predicting [00:35:00] on the left-hand side of the equation to that, and then on the right side, modeling all of the features and attributes and bringing, talking about what does theory and some other companies or consultancies, what do they have to say about what would go into important features and attributes, variables and fields that would be necessary?

We're really proud of the model. We use lots of different modeling techniques. I sometimes call it [00:35:30] a nomological net, which is just sort of a fancy way of saying we use lots of different approaches to arrive at the same watering hole, so different paths all to get to the same water source. That source, for me, is what's the source of truth around what drives people to want to stay at PayPal, or in some cases, the obstacles or hurdles that tend to push them out or where they may want to leave and take their talents elsewhere, or [00:36:00] they might be getting pulled out by hot markets and folks like that.

There's a lot that goes into that. I guess it's a long way of saying, yes, we have looked at retention campaigns and attrition modeling. We've presented that to our people leadership team, so it's our CHRO and all of her direct reports, and we even ask them, like hey, what are your lay hypotheses around why you believe people might be leaving.

What's interesting to me is it typically can result in one of three [00:36:30] scenarios. Either someone has a hypothesis, and we confirm it, which, it's pretty vanilla activity. You think something's going to happen, and our data and analyses shows that it does, so we'll just call that hypothesis confirmation, but the other two of three areas are really interesting.

The first is actually myth busting, so they say, "Oh, I bet long commutes are going to drive people out," and we can calculate their home address to office distance and include that [00:37:00] in the model. They'll start coming up with these hypotheses, and we may find that either it's not as strong as what the leadership team thinks in the top 10, or maybe there's no relationship at all. Now you have to go out and go back to people and say something that you intuitively thought in your gut is actually turning out not to be the case. That's myth busting.

Then the last one is interesting, which is finding unexpected surprises, things that weren't on your radar [00:37:30] screen before, but now that we've dug into the data, dove in a little more deeply, it actually turns out to be the case, that you're going to have to pay attention to this particular feature or attribute parameter estimate.

Those are the three things, either hypothesis confirmation, myth busting, or sometimes what I call finding a purple swan right behind a tree. Didn't expect to find it, but it's there now, and you have to contend with it. Again, trying to translate that into what policies [00:38:00] do we need to edit or create new, or what programs do we need to invest in or de-invest in, move some money around that can help retain some of the talent groups that we believe are important like the key talent, high potential, high performers, critical roles, or looking across those other groups like the contact centers versus tech and professional.

We learned a lot by diving in deeply. What I [00:38:30] often say to someone is get to know your data. Know it forwards, backwards, all different directions, even some of the, just the data management, data wrangling, data cleaning is some of the most important aspects because you get to know your data, and I think that's much more important than just, say, flipping on a switch in a tool, and then having that tell you here's what's happening. This space is advancing, and that's been a fun project for us.

Jacob Morgan: [00:39:00] Very cool. You said quite a few things there, but I'm curious if there are any maybe specifics that we can look at. Is there anything that you're able to share around what did you learn about the contact centers versus the IT workers or any other interesting or surprising things that you learned about PayPal employees through using people analytics and data that maybe you either didn't know before, or looking at your three models, are there any purple [00:39:30] swans or myth busting or confirmation of hypotheses, stories or examples that you can share from PayPal?

Jeremy Welland: Yeah, absolutely. There was something that we call the evangelist effect, which was very surprising. I, in all my years, almost 20 years of doing this modeling, didn't expect to find it. We were working with our vendor, which conducts our regular employee [00:40:00] engagement survey. We call it the impact [inaudible 00:40:02] at PayPal, and what we ended up finding is sometimes when you're reporting out on surveys, the typical thing to do in the industry is to look at percent favorables. You might have a one to five Likert-type scale where five is strongly agree and one is strongly disagree, and then all the levels in between that. When you're doing descriptive reporting, it's fine just to lump together, let's say, agree and strongly agree, and you call that percent favorable.

[00:40:30] We'll tend to say things like 90% of our workforce has a favorable score on, "I'm proud to work here," or, "I'd recommend PayPal to a friend," but what we found is when we are doing some of the analytics, we actually came up with this thing we call the evangelist effect, which was when you look at each of

the anchor points, one, two, three, four, five, of course, you might expect someone who, if we ask the question, "I plan to stay [00:41:00] at PayPal over the next 12 months," let's say, if someone strongly disagrees, we find a pretty strong correlation with the folks that are down at the ones and twos.

They tend to leave more than folks that are at the fours and fives. That's a pretty typical finding. It's a moderate to moderate-strong correlation if you just take an array of two data sets, [00:41:30] but what we found is when we started to unpack it because we were doing some machine learning and some random force and some other things, is that actually, the evangelist effect for our senior leaders, so again, these are directors and above, we were trying to do some looking at key talent and certain segments in that pool of a thousand leaders, that when if you were a one, meaning you strongly disagreed with some of the statements, we could track that and see that [00:42:00] people eventually would leave. We were able to, excuse me, correlate those data sets.

However, we found ... We also, likewise, found that people were fives strongly agreed that was a protective buffer against attrition, and those people stayed. However, we found this really strange effect that people that were a four, which is agree, so they're not strongly agree, and they're not neutral, they were more likely to leave than others, and this is especially true in segments like our [00:42:30] key talent, like our high potential, high performers.

We had to come up with this hypothesis of, unless, when you're dealing with talent pools, and then oftentimes, these talent pools, they know who they are, they've gotten positive performance reviews, in fact, by definition, I-

Jacob Morgan: Really quick, before you explain that, so they scored, just to give context, so the one through five, they scored a four on a particular question?

Jeremy Welland: Yes. There'd be an item like, " [00:43:00] I believe we make decisions and decision-making is shared among my group," or, "I ... " Take any item on a survey in which they're answering whether they have a negative view to a positive view. What we found is when they [inaudible 00:43:20], meaning a four out of five, so they're in agree but not strongly agree. In some cases, those people were leaving at a faster [00:43:30] rate than people that were just neutral.

Jacob Morgan: Huh.

Jeremy Welland: What we found is that, also, people who tended to give fours were the people that were part of about a third of our leaders, the 1,000-plus leaders are in this key talent group. What we found is, basically, what we said is when you let down this group, if you deliver anything less than excellence, like 100% excellence, strongly agree, it is, [00:44:00] your clock is ticking because they can take their time, talent, will, energy to any company, and they may know that

they're already top talent. What's really interesting about it is you need to work even harder with this team than the people that are, say, strongly disagree.

Someone who's strongly disagree, you're probably not going to convert them from a one to a five, but you really have an opportunity from four, which is [00:44:30] pretty good service, level of service in your culture or across these various areas, to a five. What it ... Typically, people would say, "Oh, well, we're going to look at our low-scoring folks and try to make improvements," [inaudible 00:44:41] typically say, you might just say, "Oh, someone who's a four or a five ... " which is agree or strongly agree, " ... we just have to maintain that." I think here, what we're saying is there are specialized talent segments where it's not enough to just maintain it. You actually need to bring it up to a higher level [00:45:00] because this is the type of culture that they come to expect. They want an organization to be great.

Again, this is only for, we found this evangelist effect, so you basically need to be evangelical about delivering high quality climate and culture [crosstalk 00:45:19]-

Jacob Morgan: This is across the board, right? This was people that scored four on more questions on average, right? Those are the ones that were more likely to leave.

Jeremy Welland: That's [00:45:30] right.

Jacob Morgan: Okay.

Jeremy Welland: Actually, it's not casual, so let's be really careful. This is all correlational data, so it's the fact that the people that we're seeing that were leaving actually were quite happy at the company, if you think about a four and a five being agree and strongly agree across a number of different measured dimensions as part of the survey.

                       I don't know, it just, to me, when we scanned across all of these aggregata [00:46:00] data and started to trying to pull out and parse out different segments and groups and look at their responses to the survey, this just was a very interesting effect, and one that, as we're building out programs for leaders, especially leaders that are part of these key talent groups, we really have to take another look at our traditional beliefs around you only go after things that are low-scoring.

Jacob Morgan: That's actually [00:46:30] a pretty interesting insight. Really quick, just want to do a brief-check with you. Are you able to go over the top of the hour, or are do you have a very hard top?

Jeremy Welland: I do have a hard stop.

Jacob Morgan:	Okay. Well, then I will jump into some other questions for you. It's interesting to hear you say that because I was just reading a Chip Heath and Dan Heath's new book, The Power of Moments, and Chip is going to be an upcoming podcast guest, and in his book, he said that it's far more valuable on the customer's side to get a customer to go from a four to [00:47:00] a seven on the satisfaction scale than it is from a one to a four. One of the questions I'm going to ask him is when it comes to the workforce, is it better to do the same thing? Should we focus on getting those fours to fives instead of getting to the ones to the three or the one to the four? I think that's a pretty interesting piece of insight that you guys gleaned there.
	I have a couple of questions that people wanted me to ask you on LinkedIn. The first one is from, I'm going to butcher [00:47:30] this person's name, [Didim 00:47:31], I think, and this question is the following. It says, "I wonder specific questions that they found the answer to would analytic techniques at PayPal and their perspective ... " it was poorly-worded question. Basically, it's around leadership and development within the organization and any analytical techniques. Have you been using people analytics to apply [00:48:00] them to the leadership and development space, and sounds like the one that we just touched on might even address that.
Jeremy Welland:	Yeah, that's a great question. I think using people analytics and leveraging your workforce data to look at what we're doing with leaders, and more broadly, I'll just even say manager effectiveness, we have lots of ways in which we can start looking at manager effectiveness, both from ... We actually have a manager effect in this index on our [00:48:30] survey, and so we can dive in to different countries and different groups and functional areas and departments to look at do we have any pockets of success or areas of opportunity.
	That's the first, is even just defining out what the current state of leadership and management is at your company, and then looking to the center of excellence. We have a development [00:49:00] and leadership group, which is tasked with making leaders effective in the jobs that they do.
	There's ... I think we're growing in this space. I would say we're not there yet. It's certainly, we're early in our journey. I think, we, first of all, need to have better data collection systems, either self-reported by leaders of some of the activities that they're doing. I think we have a lot of blind spots in knowing what [00:49:30] the continuous improvement and growth and development journey is for leaders because a lot of it is happening offline or off system, meaning we're not able to track that, and if we're not able to track that, we're really not able to do any effective [inaudible 00:49:44] or learn from it.
	The first is being sure, ensuring that we have platforms. At PayPal, we use Cornerstone for our internal trainings and workshops and all the things that we wanted to ploy out to certain groups and people. [00:50:00] We're starting in just that. We're talking about how we can get some of that data and metadata into our data warehouse, and then start to scan across that.

I think the other thing is producing really good systems and tools that help people manage and navigate their career path and their journey, whether that's within the company or even thinking about ... Obviously, this is not the 1950s, and you don't join right out of high school, and then sort of get the [00:50:30] gold watch upon retirement 40-some years later; instead, we know that people are, on average, going to have several organizations that they work for throughout their lifetime, so how can we actually start to look at skills and start to put a map of the skills and expenses that they have within a company so that other leaders who are hiring and other hiring managers can know about who's our talent, what's that internal movement look like, and how can we help promote and optimize our internal [00:51:00] movement. We're looking at that both in terms of some initial discovery projects, as well as I know there's some vendors, Workday, as an example, we're just talking about that. I know there's-

Jacob Morgan: They're a popular one out here in the Bay area.

Jeremy Welland: Yes, so.

Jacob Morgan: Okay, cool. The next question was from Janette, but it was also similar to this one. It was around enabling a high-performing team, so maybe I'll skip that one and jump to one of the others. This one's from Crystal, and she says, "How [00:51:30] about asking Jeremy for his vision for an augmented workforce in PayPal's context? How will AI enable decision-making? How will emotional intelligence play a role in a data-driven world?" No pressure, Jeremy.

Jeremy Welland: Oh, I love this question, and saving it for the end here. I'm a huge proponent of AI, so artificial intelligence. For me, I actually tend to take a page from what others are doing with what we call weak [00:52:00] AI. There's a strong form of AI of, think of movies and science fiction books of you can't tell the difference between human and this machine, versus limited-specific, domain-specific AI challenges such as autonomous vehicles or playing chess or playing Go or ... For me, what I actually think about is the space is just limitless for doing these domain- [00:52:30] specific AI solutions that can help people be better at their jobs.

I know there's been a lot of work out there, a lot of talk out there about will AI replace people. What I'm really talking about is making people more effective so you can get rid of the rote, mechanical work that people are doing, and just like you might use Excel to add up a huge column of data quickly, AI is going to [00:53:00] augment the workforce of tomorrow. It's not going to replace a unit one-for-one replacement; instead, it's going to augment maybe 20% of your work that you used to do in a very manual fashion. We will have a weak form of AI that builds out data tables and other structures and bots talking to other bots.

We actually have been talking about something that we call decision bots-as-a-service. Imagine hands-free reporting where you just speak into a device, and that device chat [00:53:30] box then talks to another box that maybe does, it

converts natural language processing and has semantic layers and semantic maps to be able to get that down to SQL code that runs and generates a report. Then that report is given to another bot that brings it back and speaks it to you or something along those lines.

When we think of bots-as-a-service, of lots of bots talking to one another based on a command from a human, it's [00:54:00] really going to augment our workforce, and if you think about that service delivery model that I talked about before of self-service or HR generalist, like the business partner, to then centers of excellence, like the subject matter experts that sit within a COE.

What I'm thinking is, we'll actually expand the amount of self-service that will allow these generalists and experts to become even more consultative, [00:54:30] to deliver even greater amounts of value because you're taking away mechanical and rote things that can free up their opportunities to act much more like an advisor or a consultant helping to solve for things rather [inaudible 00:54:44] head and work laborious, rote-repeated work that these bots can now do for us.

Jacob Morgan: You're an optimist. I like that. Last question for you, which is kind of two questions in one. The first one is maybe you can give people a sense [00:55:00] of what data do you guys look at internally at PayPal, and then after that, any advice for listeners as far as where they can start with people analytics inside of their organizations. If they were trying to build what you guys are doing at PayPal, where do you recommend they start?

Jeremy Welland: That's a great question. I think .... It's interesting. I, for a while, was attending some cheap data officer at conferences, and when I would speak there on panels, one person once said, [00:55:30] make friends with your CFO. I truly believe that. That's one thing that we're trying to do when we think about the organizational hierarchy compared to a cost center hierarchy and trying to rectify what is your FP&A, your financial planning and analyst partner, what insights are they presenting to a VP versus when a HR generalist or a people business partner goes in there? If you can have that alignment, [00:56:00] it's make friends with your finance team, and work on a project in which you're rectifying across finance in HR systems.

The next one would be, pick a group, someone who's an early adopter, someone who's aligned with analytics, pick a group, pick a leader who could help champion and cheer lead your products. As an example, we actually ended up having the CEO and his directs where [00:56:30] they said, "Hey, we want you, we spend about a fifth to almost a quarter of the revenue that we take in in any given year on our workforce, our regular cost of workforce as well as contingent costs, so that's our total cost of workforce [inaudible 00:56:47], et cetera," and we didn't have a lot of, let's say, transparency into a one-stop shop where we combine finance and a max-approved budgeted headcount [00:57:00] with what's happening in the hiring and our ATS, applicant tracking system, with what's happening in our work day with our current employees.

We were actually able to build a fairly simple set of dashboards. We have an executive summary as well as maybe six dashboards that you can do a double-click on to get diversity inclusion information. You can get cost by different locations around the globe. We can partner with our corporate real estate and other folks, really, to manage [00:57:30] the total cost of workforce by looking at headcount and financial information. That was a really fun project for us. Mostly descriptive analytics, so it's working with our business intelligence reporting team, but we're also trying to snap on seamlessly to the user interface on the front end, combining some of our inferential statistical products, machine-learning products right next to our descriptive reporting data visualization [00:58:00] products.

That's been a lot of fun, and that would be the advice, is make friends with others, not just with your CHRO so that you get kudos from them, but also with others out in the other functional groups and business units.

Jacob Morgan: Very cool, and I'm assuming the data that you look at, the engagement reports, compensation, performance reviews, all that sort of stuff?

Jeremy Welland: We do. Yeah. We would look at everything that, if you're a CHRO and wanted your finger on the pulse across all those different programs and areas, we have that data. For us, the keyword, if there was one word, I would say it's maturity, and [00:59:00] it's really about having a maturity program. If you think about like Bersin by Deloitte and what they talk about of call and walk and run of getting your descriptives down, moving that into your advanced, kind of like the diagnostic to the predictive to prescriptive, we're following that path.

Luckily, for us, when we started the PSAT organization, that People Strategy, Analytics, Technology, we kind of dropped into all aspects, and we're kind of running it concomitantly. We didn't wait just [00:59:30] to get down our descriptives, we actually started a predictive shop and diagnostic shop right alongside. That full team is 40-plus folks working in concert with one another on systems across the board, but again, it's really come about through partnership. I would just stress that, going out there and finding your evangelists, your true partners, but then also trying to get a devil's advocate so that you can stay, I think for change management, having a devil's advocate in your [01:00:00] rapid-iterative prototyping as you're building developing products can ensure that you won't have organ rejection when you go and roll it out.

Jacob Morgan: Well, Jeremy, I know we've been talking for around an hour, so thank you very much for your time and for sharing your insights. Where can people go to learn more about you, to connect with you? Anything that you want to mention, please do so.

Jeremy Welland: Yes, I have 3,500 friends on Workday, so I encourage you to Jeremy Welland up on Workday. I'm sorry, up on LinkedIn.

Jacob Morgan: I was going to say, you want people going to your private [01:00:30] Workday space. What are you doing there?

Jeremy Welland: Yeah, to my LinkedIn. You can find me on LinkedIn. I encourage you to find me there and connect up.

Jacob Morgan: Okay, very cool. Well, Jeremy, again, thanks for taking time out of your day to speak with me.

Jeremy Welland: Thank you.

Jacob Morgan: Thanks everyone to tuning into this week's episode of the podcast. My guest, again, has been Jeremy Welland, the Global Head of People Analytics at PayPal, and I will see all of you next week.