

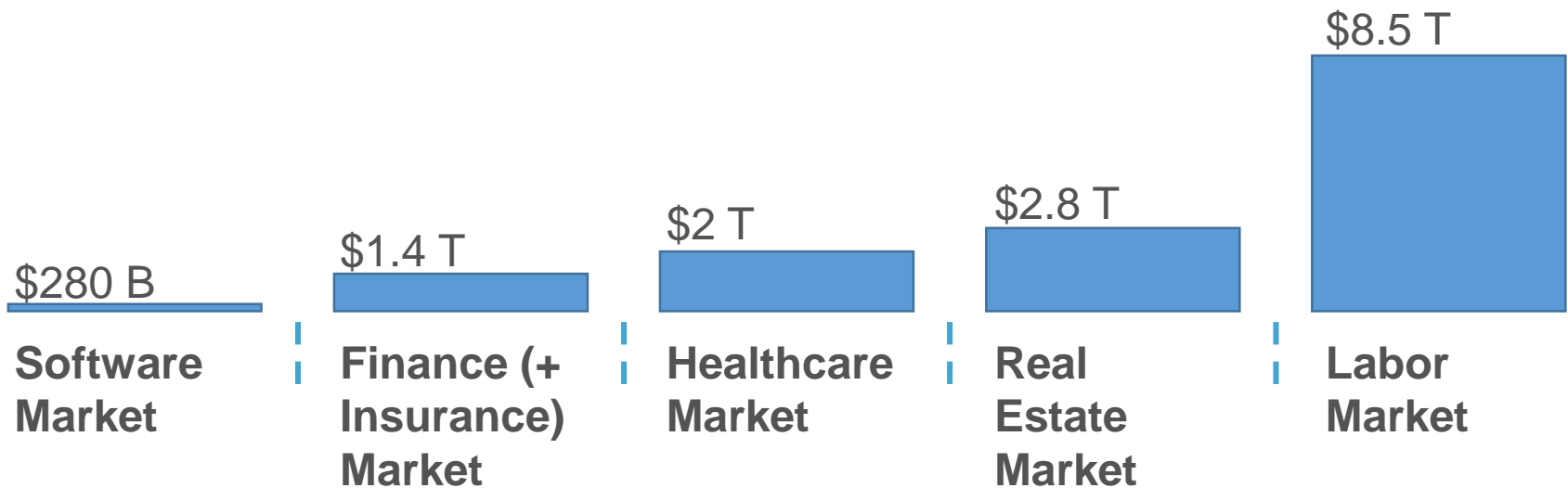
People Analytics and the Future of Work

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People are the most important capital / asset in economy

- **\$150-200T** Rough estimate of \$ value of U.S. [engaged] human capital stock
- **4-5X** Multiple over U.S. corporate L.T. assets (not including “cash”)



$$\begin{aligned}\text{Engaged human capital}_{t+1} &= e^* (H_t + gH_t - \delta H_t) \\ &= e^* (H_t)(1 + g - \delta)\end{aligned}$$

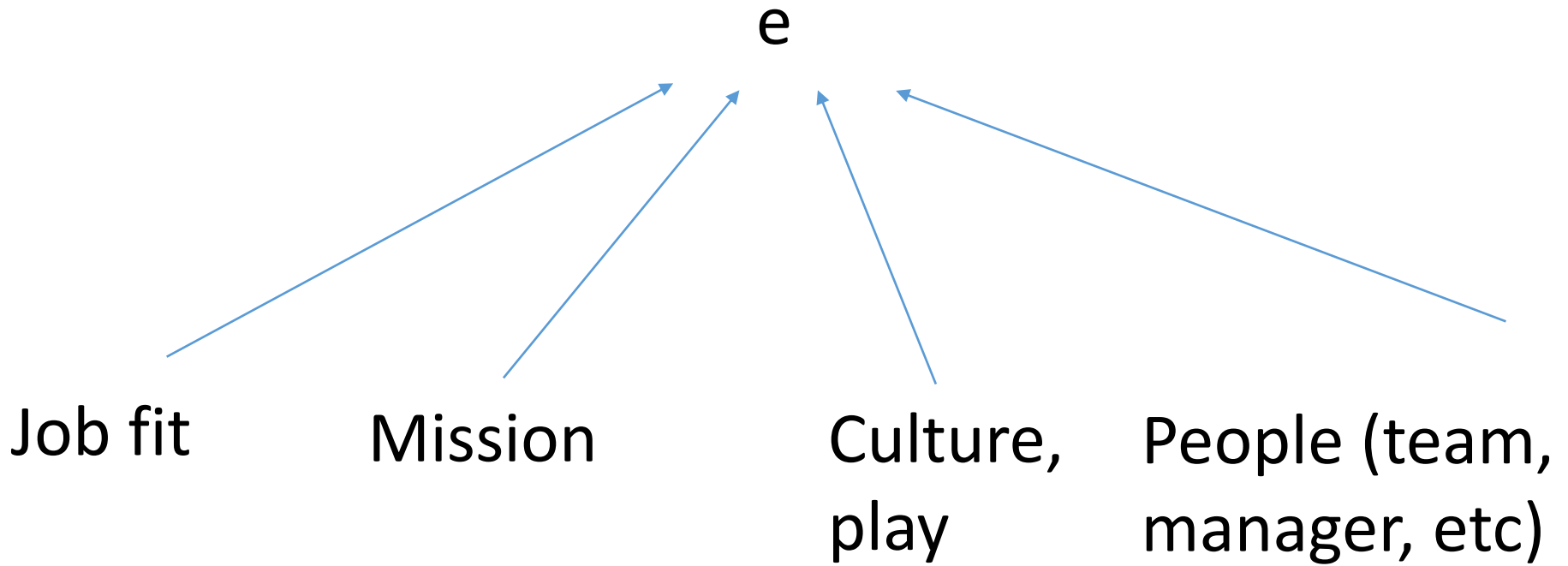
e = how engaged are people in their work

H_t = Human capital in year t

g = rate of new skills developed

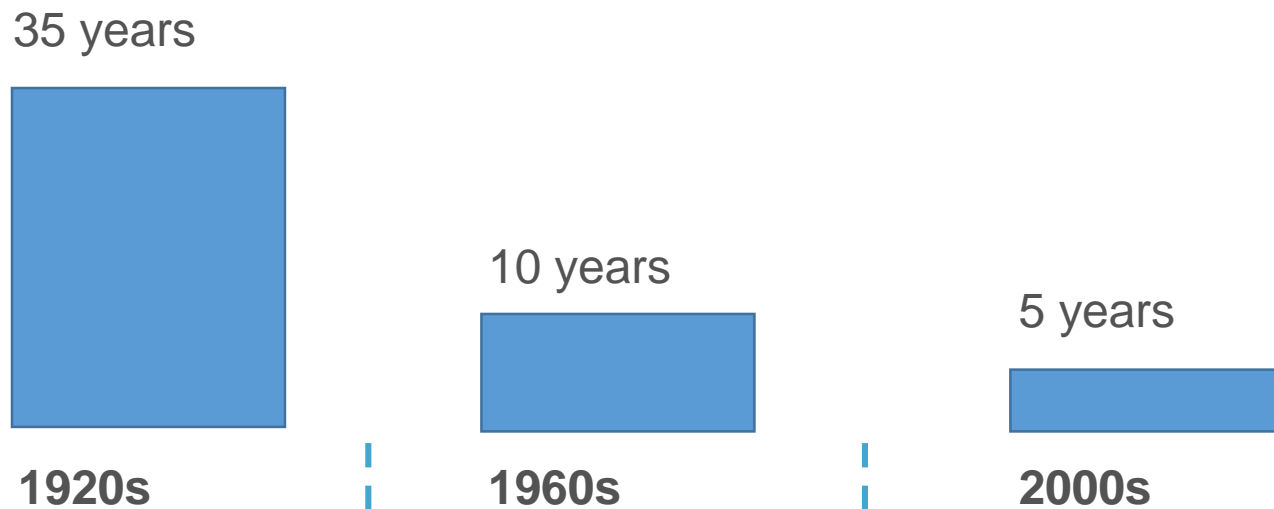
δ = rate at which skills depreciate / become obsolete

Engagement



$$1 + g - \delta$$

Half-life of tech / engineering skills



$$1 + \boxed{g} - \delta$$



More, different options

Closer interaction with employers



Humanity

Tech skills

**Business
judgement**

Growth mindset

$$1 + \boxed{g} - \delta$$



Formal training

- \$200 million annually in the U.S.
- Fallen 30% in real, per employee number in the last 20 years
- ROI?

Informal (on-the-job) training

- Instead of over-indexing on deep skills and experience, hire for aptitude and growth mindset

?