



# Maximizing Workforce Analytics through Dashboards

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**D**o you remember your first cell phone? Your first use of e-mail? Or, if you're old enough, your first exposure to an ERP system? The "first time" is always a learning process, which soon grows to be comfortable and then indispensable. With the increasing recognition of workforce analytics (WFA) – the measurement, analysis and monitoring of workforce value in terms of impact to business performance – today's HR professionals are immersed in a learning process on how to select and deploy the best solution for their enterprise.

Shoppers for a WFA solution can be easily confused – about terminology, capabilities, benefits, and the available choices they have. Do you know why dashboards are the most important WFA tool? Or, that dashboards can be used with or without scorecards and benchmarks? Or why Software as a Service (SaaS) can be more usable, affordable, and best for one enterprise while an in-house software implementation makes more sense for another? Understanding the fundamentals goes a long way in prudent decision making when trying to deploy an automated WFA solution for your organization.

## HUMAN CAPITAL MANAGEMENT

Workforce analytics is foundational to the success of human capital management (HCM). According to a 2006 Accenture research report, human performance leaders are more likely to have and use appropriate metrics that tie HR practices and overall workforce performance to financial performance.<sup>1</sup> Results lag for companies without the necessary metrics or metrics that translate to business.

If you can easily integrate and analyze workforce data that resides in different HR systems, correlate the data with other business metrics, and use this workforce intelligence to drive better decisions, you have a significant advantage in optimizing your company's most valuable resource. For this reason, according to a recent AMR research report,

WFA will be the fastest growing HCM application space over the next five years.<sup>2</sup>

Many companies still think of WFA as a process of downloading information into spreadsheets and manually generating reports and charts to track progress toward HCM goals. Aside from being labor intensive, these now seemingly primitive methods deny near real-time access to key performance indicators (KPIs) as they change. Moreover, they inhibit company-wide capabilities for line managers to make data-driven workforce decisions that an automated solution enables. Workforce analytics software and services are designed to deliver workforce intelligence in the same manner as more familiar business intelligence does for other corporate needs.

## OBJECTIVES: DATA-DRIVEN WORKFORCE DECISION-MAKING

Your ultimate goal, of course, is to measure and positively influence the impact of workforce practices and performance on business results – the "people factor" that drives or drags revenue growth, operational efficiencies, customer loyalty, new customer acquisitions, and other measures of business success. More importantly, automated WFA enables better decision-making beyond the HR department for how to:

- Structure employee programs, policies and pay.
- Position employees where they can deliver highest value.
- Clarify criteria for hiring and retaining people with the right skills and experience to increase profit and shareholder value.
- Enable businesses to better anticipate and respond to changing market environments.

Exactly what metrics should be tracked varies among industries and organizations. Workforce analytics providers

generally include consulting services to help identify KPIs and training on how to leverage them. A properly deployed solution will align human capital measurements with the execution of a business strategy, key processes, and areas with the most opportunity to impact business outcomes. It will play a pivotal role in establishing or improving your talent management execution by enabling enterprise-wide optimization of human capital practices.

## BASIC TOOLS: THE DIFFERENCE BETWEEN DASHBOARDS, SCORECARDS AND BENCHMARKS

Automated WFA combines business intelligence tools with advanced visualization, reporting and query capabilities to view, manage and leverage HR data for more informed decision-making. Automated WFA is not possible until data can be captured from multiple systems. Therefore, a WFA solution must include a sophisticated method for broad-based data integration. Once capable of sourcing data, WFA delivers workforce intelligence in the form of dashboards, as shown in Figure 1, from which users can quickly view summary information and perform drill downs for more details.



Figure 1. Workforce Intelligence Dashboard.

Like the instrument panel of a car, a WFA solution's dashboards should provide HR professionals, senior executives and line-of-business managers with the insights necessary to "drive" workforce decisions. In addition to charts and graphs, they can be customized with red, green and yellow lights (with the same advisory significance of a traffic light); alerts; gauges; spark lines and other indicators conveying, at-a-glance, the health of a business condition.

Dashboards are the most important WFA tool since they organize and display workforce data and measurements using easy to comprehend graphs and charts. They visually track key actions, metrics, and correlations, with and without comparisons to preset targets. Dashboards can be used with or without scorecards and benchmarks, which are concepts too often confused and used interchangeably with dashboards.

Scorecards measure a company's performance in terms of its vision and strategies. They typically track a few key metrics derived from the company's strategic goals using preset targets and scoring schemes to monitor improvements and declines.

Benchmarks describe standards relating to best practices within an industry, function, or other enterprise descriptor, and can reveal where an organization can most likely improve performance. Benchmarks are often used to set targets and scoring schemes and to identify strengths and weaknesses. Benchmarks can also help to identify and justify where changes are needed to achieve higher performance levels, and quantify progress toward achieving them.

## PLATFORM OPTIONS: INSTALLED SOFTWARE OR SAAS

Companies that deploy WFA company-wide using an integrated, automated solution follow either of two basic strategies: installed software or SaaS.

With installed software, the company bears the upfront costs of licensing and implementation, and the follow-on costs of software maintenance fees and IT support, which must be provided internally or through a third-party IT services vendor. Early adopters built custom solutions behind their firewalls utilizing traditional business intelligence software, preferably with a WFA application. These custom solutions involve the same costs for software licensing, maintenance and IT support, plus added development costs. Not surprisingly, the resources required make installed WFA primarily the province of large organizations and those requiring high customization.

Software as a Service solutions provide WFA dashboards on-demand via a secure Web-based subscription service. They make WFA possible for many more businesses by removing the cost, time, and complexity of installing software on-site. Software as a Service providers already have sophisticated integration platforms to accept data from disparate systems, share proven applications, and efficiently deliver timely actionable intelligence with pre-engineered dashboards that can be selected for use by senior management, HR and line-of-business roles.

Software as a Service providers may offer a standard set of pre-packaged dashboards for the unique requirements of a specific industry, but company-specific customizations are not an option. And while the Web-based on-demand dashboards come on a pay-as-you-go basis, they will usually involve a fixed-term contract commitment. Some preliminary IT work to provide data from your business systems is still usually required, although this effort is minimal compared with trying to implement WFA software or a custom solution.

## INSTALLED SOFTWARE BENEFITS: CUSTOMIZATION AND HIGHEST DATA SECURITY

For companies with the resources and generally more complex needs, installed software enables a highly-customized, enterprise-specific WFA solution. Dashboards can be built and modified to the individual requirements and preferences of each department and end user. Such customization helps acceptance and use of dashboards by end users outside of HR. It can also lead to more relevant actionable intelligence per end user, and better coordination of WFA collaboration and knowledge sharing within

and across departments.

Installed software also keeps sensitive data behind the corporate firewall. While SaaS providers import their clients' data over secure and usually encrypted links, some companies prefer not having sensitive data leave their IT environment.

### **SOFTWARE AS A SERVICE BENEFITS: MORE THAN COST SAVINGS**

Aside from avoiding the time, effort and cost of installed software, WFA SaaS subscribers enjoy additional acquisition and operational benefits. Software as a Service can be provisioned and metered for actual usage, which allows companies to scale WFA to their needs and budgets, and never pay for excess capacity. A service's reliability and performance can be tested with just a few users. A company-wide rollout can be expanded incrementally. Data interfaces tend to be of higher quality and more reliable. Nothing has to be maintained by the client, since application upgrades and updated best practices are automatic as part of the service. This all adds up to a faster time-to-value, a hedge against technology obsolescence, and low total cost of ownership.

For these reasons, even large companies with or without existing WFA software installations should consider a SaaS alternative. Software as a Service eliminates vulnerabilities to internal IT workloads and the costs associated with waiting for application upgrades; end-user moves, adds and changes; and updated best practices. Between ongoing software licensing fees and the IT support, switching to a SaaS solution could prove cost-effective as well as operationally more efficient. Additional benefits can be found in IT infrastructure costs, where hardware could be redeployed and new purchases delayed.

### **ROLE SPECIFIC DASHBOARDS: FOCUSING ACTIONABLE INTELLIGENCE**

Selecting an automated WFA solution also involves decisions on which dashboards to deploy, to whom, and with what analytics. To be effective, dashboards must work in concert with an end-user's responsibilities, provide only relevant and authorized metrics and data on a per-user basis, and be easy-to-use, in order for the value they bring to be recognized and accepted. While a primary purpose of automated WFA is to facilitate closer collaboration between HR and its business partners, dashboards should provide timely, actionable information to executives and line managers without the delay of having to depend on an HR analyst.

A WFA application will have multiple dashboards for each of several HCM categories. Within a category, say staffing for example, there could be separate dashboards for applicant tracking, time and attendance, staffing value and workforce planning.

The configuration of a role-specific dashboard set would differ among the CEO and CFO, chief HR officer, head of staffing, chief learning officer and line managers. An applicant tracking dashboard might only be included in the head

of staffing's configuration due to its emphasis on transactional process measures, whereas a staffing value dashboard would be a likely candidate for inclusion in most end-users' dashboard configurations. Among other metrics, this dashboard could be designed *to measure time to productivity for new hires, performance of new hires versus employees replaced, competencies of new versus existing employees, promotion rates and turnover for recent hires.*

These types of human capital metrics can also be correlated with measures of revenue, sales, customer satisfaction, productivity, product/service quality, and so on to help identify opportunities for increasing profit, expanding or reducing a workforce, speeding the acquisition of new customers, or expanding market share

Such actionable intelligence can be used to quantitatively answer questions such as: Are staffing practices adding value? Does additional training for new hires, even if it takes longer and costs more, help to make them productive sooner? Is it worth the investment in terms of higher sales and customer loyalty? Is a new sales incentive program delivering intended results? Instead of conjecture, a company using WFA knows for certain how its programs and practices affect business performance outcomes, and by how much.

### **WFA DASHBOARDS AS PART OF BPM FRAMEWORK**

Most companies utilize a business performance management (BPM) framework to manage strategy and plan execution. The framework includes processes, protocols, roles and responsibilities, tools and calendars that are all crucial to planning, monitoring and reporting company performance. Most BPM frameworks do not yet incorporate WFA, and HR's participation is usually minimal. However, the competencies, utilization, performance and cost of human capital factor into every organization's strategy, plans and performance whether they are identified and measured or not. Integrating WFA into the BPM framework, from planning through execution and ongoing reporting, will ensure that critical decision-making inputs and outputs are factored, rendering the framework operationally complete and more effective.

### **FROM LEARNING PROCESS TO INDISPENSABLE BUSINESS TOOLS**

Workforce analytics is no longer confined to HR analysts. Human Resources is no longer a stepchild to line-of-business functions. Human capital management is no longer the province of one department. With WFA dashboards shared company-wide, data-driven workforce decisions from the executive level to line managers are enabling companies to optimize their most critical but last-addressed area for improving operational efficiencies and business performance outcomes.

To ensure that end users inside and outside HR fully leverage the value of WFA, change management is crucial. The leading WFA providers offer the communications, consulting, and training to take WFA dashboards in your organization from early awareness and technology adop-

tion to an indispensable business tool fully assimilated into the core managing structure of the organization.

## ENDNOTES

1 Ellen Balaguer, Peter Cheese, and Christian Marchetti, Accenture, “The High-Performance Workforce Study 2006,” Research Report

2 Christa Degan Manning, Rob Garf, and Judy Sweeney, “Workforce Management Landscape: The Right People in the Right Place at the Right Time,” AMR Research Report, October 2006.

## ABOUT THE AUTHOR



Joanne Bintliff-Ritchie (Joanne.Bintliff-Ritchie@doublestarinc.com.) has a strong background as an HR executive, as well as extensive experience in HR management, technology transformation, organizational effectiveness, mergers/acquisitions/divestitures/joint ventures, change management, team dynamics, staffing, employee relations and leadership development. In her current role as chief strategist at DoubleStar, Inc., Ms. Bintliff-Ritchie

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