
The Workforce Analytics Workbook

How to turn people data
into business insights



A more human resource.™



Contents

We've got the data. Now what?	3
Workforce data and analytics maturity model	4
Level 1: Reporting	5
Level 2: Descriptive	7
Level 3: Predictive	9
Level 4: Prescriptive	11
Adopt a data-driven methodology	14
Step 1: Investigate	15
Step 2: Prioritize	21
Step 3: Plan	22
Step 4: Act	24

We've got the data. Now what?

So you've realized you have an untapped resource that you really need to put to work for you: Your people data.

Many businesses invest in analytics technology thinking it's a silver bullet. But data doesn't always tell the whole story. You get percentages but not insights. Trends but not necessarily relationships or patterns.

Truly impactful workforce analytics has to do more. **You have to turn data into insight, and then put it into action.**

You may have already started to establish a workforce analytics capability, and reached a certain level of maturity. Or you may be at the very beginning of your journey.

The important point is that you're acting now and working to unlock the potential that all too often lies dormant in your people data.

This workbook is designed to help you progress through the workforce analytics maturity model. The first step in the process is to identify where you stand today.

"We are a company that measures everything. In HR, what is really important to have a partnership with our business is that we can speak the language of business, which is numbers."

Marie Mann,
Senior Vice President of Human Resources,
Neopost USA



Workforce data and analytics maturity model



Level 1: Reporting	Level 2: Descriptive	Level 3: Predictive	Level 4: Prescriptive
Clean data Documenting processes Single source of truth	Data more visible Trends monitored Summarize what happened	Use of historical data Predict likelihood Used for decision making	Use of historical data Data reduction Recommend best options to get where you want to be

If you need help understanding your organization's level of maturity, take this assessment: [How powerful is your people data? Test your HR analytics now.](#)

Let's look at what's possible at each level of maturity, and see what some leaders are doing to improve their analytics capability and advance to the next level.

Level 1: Reporting



What's possible?

At this stage you are using documented processes to capture transactional workforce data (things like headcount, turnover, and breakdown of permanent or contract employees) that is clean and connected, working towards a single source of truth. Ultimately, however, reports have limited inherent meaning until you aggregate, segment or analyze patterns within the data.

Some organizations are just getting started and need help mastering reporting or gathering all of their data in one place. For more on this, take a look at **Step 1: Investigate**.

“To sit back and to see a full year of data, to look at that information on a monthly basis to see what we are doing, to look at it collectively – the HR, payroll, benefits, and LMS teams – and see the volume of what is actually going through our system is very impressive.”

Patricia Steimle,
Director of HR Operations,
Neopost USA



Analytics in action

Better decisions start
with better reporting

A leading supplier of poultry, pet and ingredient products was overloaded with data but wasn't able to maximize its usefulness and make data-driven workforce decisions. It was taking too much time – and too many resources – to track down reliable information about which employees were at different locations or about food-safety audits. To achieve a single source of truth, they knew they needed to automate key HR processes.

Tapping analytics via their human capital management (HCM) platform, the company was able to uncover people trends and business opportunities based on real transactional data.

Thanks to simplified reporting, reports that used to take days to compile can be completed in minutes – without compromising accuracy. **This easy access to real data has the extra benefit of freeing up time**, so the company's HR and operational teams can focus on more strategic work.

Another application of this analytics capability has been in assessing the effectiveness of the company's training programs. By analyzing these against their target KPIs – leadership development and turnover reduction – the HR team has been able to see what's working (and what's not) and improve programs to make sure every HR dollar is well spent.

Level 2: Descriptive



What's possible?

Descriptive data tells you more about what's happening. It makes basic report data easier to understand and visualize, so you can monitor key metrics and trends and gain a deeper understanding of what the data means, identifying any issues you need to address. Benchmarking data helps to give you context (by geography, industry, company size and so on) at the descriptive stage.

But if you're new to benchmarking, it can be hard to know what kind of data you need, and where to get it. Many HR professionals will be familiar with compensation survey data, but this is often dated information – and it's self-reported, of course, so its integrity isn't always guaranteed.

Workforce decisions are often swayed by emotion and guesswork. This is especially true in scenarios such as compensation requests, when it can be extremely difficult for managers to objectively judge a salary request against a specific role, and the value it creates for the organization.

You need real, transactional pay and HR data of a volume, variety and velocity that can give you confidence in your analysis. For more on this, take a look at the section on using benchmarking data in **Step 1: Investigate Benchmarking.**



Analytics in action

Putting compensation into context

A leading transportation organization's payroll and HR team was receiving a large number of salary requests from their transit hub management team. The team wanted to evaluate these compensation requests with the right contextual data. When you're setting salaries, it pays to get as local as possible with your competitive analysis: Compensation for a role in upstate New York can vary greatly from the same role in the Manhattan metro area.

Anonymized benchmarking data, segmented by local region, can help managers make these calls, with the facts to back up their decisions.

By taking advantage of extensive benchmarking data about workers in similar roles, functions, industry and regions, the transportation company's managers are now able to bring objectivity to their judgements on salary.

With a clearer view of the real-world value of a position, they can ensure their compensation discussions are backed up by knowledge of industry standards.

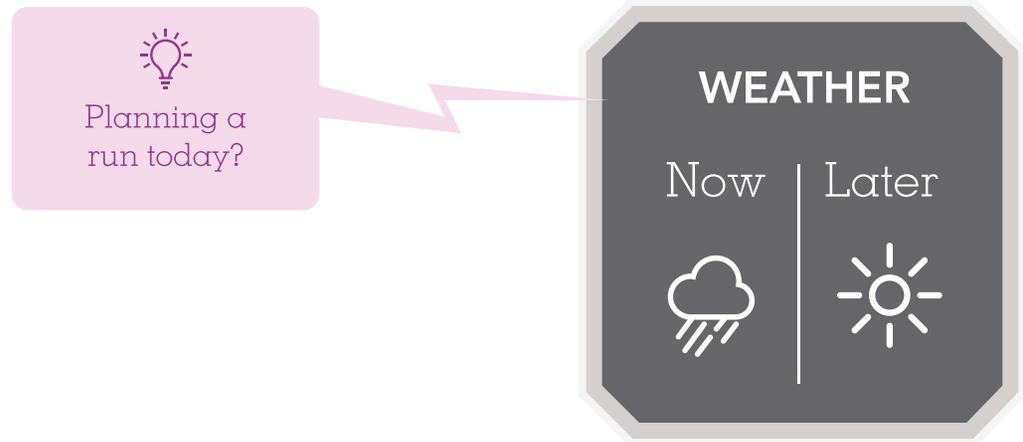
To see how HR data can help you to deliver on business objectives, check out this [quick hands-on demonstration](#) of benchmarking in action.

Level 3: Predictive



What's possible?

You can use historical data to anticipate what's likely to happen (things like employee turnover, customer purchase, and inbound contact center traffic) – and then use these insights as part of your decision-making process.





Analytics in action

Identify employee flight risk – before they take off

Some attrition is unavoidable, but when you look at the costs involved in losing staff, hiring and onboarding new people, even a small reduction in turnover rate can mean big savings.

So what if you could spot potential turnover risks before the employee had even decided whether or not to leave?

With predictive modeling, and the right data to feed it, this is becoming a real possibility for more organizations. The trick is to cut through the noise of employee data and connect the right metrics to help you uncover hidden patterns. These might include time in a role, current level of seniority and compensation, span of control, and other job and organization factors.

It's a good idea to cast your net wider for the right data. Think about things like the length of the employee's commute and any other information that might affect an individual's work experience – so long as you have the right permissions and privacy processes in place.

Then it's time to recognize the trigger points – the times when an employee needs your attention, and potentially action. You might want to recognize decreasing engagement and performance scores, or an increase in absence rates.

When multiple factors align, it may be a sign that the individual is thinking of making a move. Or if they aren't yet, they might be very soon – you might be surprised to hear that **63 percent of employees¹** may be open to leaving their jobs.

1. Evolution of Work 2.0: The Me vs. We Mindset, ADP Research Institute, 2017.

Level 4: Prescriptive



What's possible?

Getting prescriptive means using the same sets of historical data to anticipate the likelihood of certain results or events, and then going on to understand the next actions based on those predictions.

But remember, analytics technology is not a silver bullet. It can only recommend actions – but a human is still needed to interpret those recommendations in context.

“Turnover and retention are two big challenges for our industry. I use HR analytics just about every day in some fashion to connect with information that can help us identify trends and increase employee engagement.”

Heidi Wallman,
Corporate People Sales Systems Director,
Canyon Ranch



Pace-setter
Loaded

00:00:15

PACE: 6:20

0.1 km



Analytics in action

Turning flight risk
into a retention win

Let's pick up the employee flight risk scenario from the predictive stage of our analytics journey. You've established your predictive model, identified relevant data types, and asked the questions that will tell you if an individual is at risk of leaving the organization.

An employee – one of your high-performers – meets the conditions, and your analytics platform has notified you about the risk. But a smart analytics platform won't stop there. It will provide actionable insight about the underlying factors that are driving the risk assessment.

You need to act, and you can examine the factors further to figure out what your next move should be. Line managers can be prompted to intervene and take the employee to lunch, or look at their compensation and time in their role compared to industry benchmarks. Equipped with a retention plan that has been developed based on the employee insights at hand, you may be able to turn a turnover risk into a retention win .

Alternatively, if the employee is set on leaving, you can get ahead of the game and plan for their replacement. Use performance and project outcome data to create likely 'end dates' for the employee, and start planning accordingly.

That way you can start the hiring process for new candidates with enough time to onboard and train them under the outgoing employee. It's the best outcome in a difficult but often unavoidable turnover scenario – and it's made possible by workforce analytics that go one step further than prediction to give you tailored, prescriptive insights that guide your next move.



A quick level-set

In reality the stages are not as clear-cut as these, and in fact there may be sub-stages within each stage.

Remember, if you're running multiple workforce analytics programs with different objectives, it's normal for your maturity level to vary from program to program.

If you're worried you're at a low maturity across the board, that's okay too. You're not alone.

While 75% of large organizations have access to data², only 46% have deployed workforce analytics. And just one in ten talent analytics leaders believes his or her organization effectively uses talent data to inform decisions³.

By adopting a people analytics capability now, you can create competitive advantage for your organization and reap the benefits long before the others catch up to you.

"Our people are our greatest asset in our business so being able to keep a close eye on our turnover rate and understanding why our associates are leaving the organization has been priceless."

**Annelise Galaup,
National Director of Shared Services Center,
FirstService Residential**

Adopt a data-driven methodology

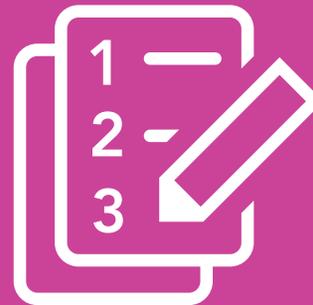
Whatever business objective you're trying to achieve, and whatever data you use to help you along the way, there's a process you can follow to help you turn people data into actionable insight.



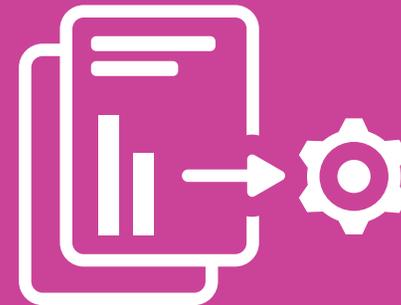
Step 1: Investigate



Step 2: Prioritize



Step 3: Plan



Step 4: Act

Step 1: Investigate



Figuring out where to look

At the start of an analytics program, you may find yourself facing a chicken and egg problem. Do we analyze the data to find issues to solve, or do we identify business issues and then look to the data to help address those issues?

Sometimes you will know the issue because it's hurting you: A long, costly time-to-hire, for example. Other times, you'll be exploring the data with some idea of problem areas, or with an open brief to find opportunities to optimize. In cases like these, there will be investigation and prioritization happening in parallel. We'll cover prioritization in the next stage, but first let's look at how you can begin investigating your data at the start of your program.

Identify the data you need

The data you need to feed analytics may come from multiple people management systems, in various combinations, but these are the five major data categories:

- HR system of record
- Payroll
- Talent management
- Time and attendance
- Benefits administration

For example, if it's a retention challenge, critical data points to consider may include performance score, salary, time since last promotion and uptake of training programs.

These are often separated across multiple software systems (and sometimes paper). This is why the work you do at the preparedness stage is so important, so you can break down those silo walls in advance. Plus, silos may occur not just across different HR systems but also across geographies. So you need to approach analytics from an enterprise-wide perspective.

And remember, it's not just about the data you have. Once you break down the silos and get a more complete view of your data, you'll spot the gaps where you're missing data, and you can act to gather it.

"As a company, we have an opportunity to really shape the marketplace with the data and analytics that we can provide to our customers. In that same way, the HR analytics and reporting tools give us the ability to provide metrics, data and dashboards that will allow us to make better decisions as an organization."

Cheryl Brand,
Vice President Compensation & HR Systems,
Follett

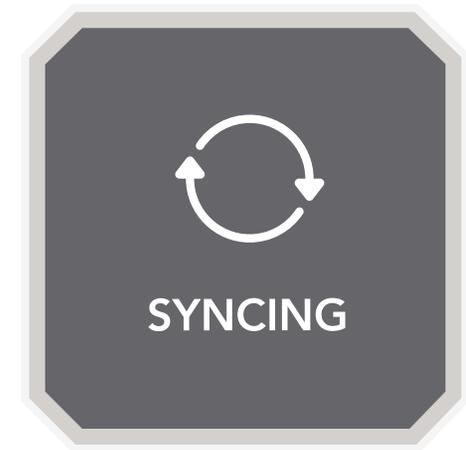
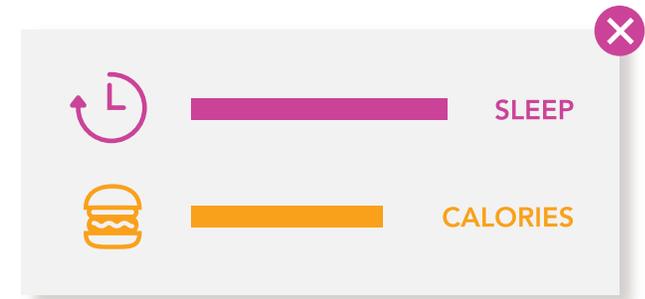
Integrate non-HCM data

Of course, effective data integration isn't just about connecting information from one HR system with information from another. It's incredibly important to be able to query data from the wider business, so you can gauge the impact that workforce programs may be having on the organization.

Some examples of non-HCM data might include retail sales data or customer satisfaction scores, but in theory, companies can look at integrating any kind of data they think is relevant.

"We have partnered with ADP and their data scientists to help us capture market pieces – our sales data, budget information, labor costs, and payroll information – different elements that run our business."

LeAnn Peters,
Director of HR & Payroll,
Shoe Carnival



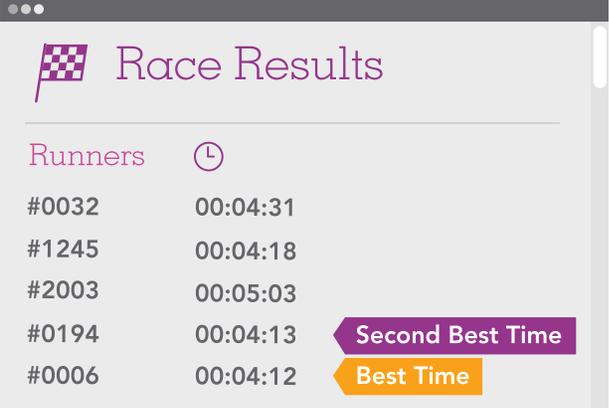
Use benchmark data

But all of this data is inward-looking. You may have identified an upward trend in employee turnover, but how do you know if this is a problem that's unique to you, rather than an industry or geographical trend that's also affecting your competitors?

That's where benchmarking data comes in. When you use benchmarking to put your data in context, you can compare your performance with that of companies of your type and size, in similar industries, and across locations.

“Benchmarking and analytics tools give you a different level of visibility – to be able to follow along with trends in the industry and understand where you fit and what makes sense for your business.”

Melanie Weigert,
Human Resources Manager,
Schuneman Equipment



Race Results	
Runners	🕒
#0032	00:04:31
#1245	00:04:18
#2003	00:05:03
#0194	00:04:13 Second Best Time
#0006	00:04:12 Best Time

Pick the right benchmarking partner

Look for a benchmarking provider with access to a wide and deep pool of reliable, up-to-date transactional data, which will give you contextualized insights that go well beyond what you can get from survey data.

Two workforce factors that have a major impact on a business's costs are absence and overtime, so benchmarks for this kind of data can be hugely valuable.

Without benchmarking data, a business can't tell if its five percent absence rate is unusual for companies in the same industry and location. And it can't know with any certainty whether the amount it pays in overtime each quarter is a cause for concern.

When you add benchmarking data, you see your performance in context, and how you stack up next to your competitors – so you know where to concentrate your efforts in improving efficiency and productivity.

Types of benchmarking data include:

- Compensation
- Turnover
- New hire turnover
- Overtime rates, costs and/or number of hours
- Absence rates
- Benefit costs and coverage by channel
- Span of control
- Direct deposit utilization
- Enterprise mobile adoption

The best benchmarking data is made up of extensive payroll and HR data, aggregated and anonymized so HR practitioners can query and analyze it in depth.

And for better like-for-like analysis, companies can filter the data not just by industry, company size and pay type, but also by geography: regions, sub-regions, states, combined statistical areas and metropolitan areas.

But even benchmarking only tells you what's happening. It doesn't tell you why it's happening, or what to do next. For that, you need to use the data to adjust your HR strategies.

For example, the model could be geared towards giving you an employee flight risk score. When an employee falls into this danger zone, based on all the data feeding the analysis, your HR team can act.

They can inform the relevant line manager of the risk, and advise on next moves, like setting up a meeting with the employee, giving a promotion – or even just taking the employee to lunch to gauge their level of engagement and understand their aspirations.

“Benchmarking and analytics give our leadership team access to real data. It allows the opportunity to have information on turnover, payroll, timekeeping and other analytics.”

**Lupe Mujica,
Chief People Officer,
FirstService Residential**

Step 2: Prioritize



Prioritize business goals

For workforce analytics to drive real value, it has to be aligned with business goals. You can't do everything at once, so you have to prioritize your efforts.

Look for high-impact, actionable projects and then, when you have your shortlist, ask yourself where analytics can make the greatest measurable impact.

Depending on your circumstances, you might want to focus on analytics initiatives that will help you to:

- Reduce turnover in a particular team
- Retain high-performing individuals
- Improve staffing efficiency
- Lower the cost of operations
- Gain insights into pay equity

"We are leveraging benchmarking across many other organizations to see how we compare to others. Using insights and analytics allows us to make better decisions going forward."

James Wiley,
Director, Talent Management Systems,
24 Hour Fitness USA, Inc.



Step 3: Plan



Before you dive into specific analytics initiatives – before you even decide what problems you need to help the business to solve – it pays to get the following foundational elements including stakeholder management, data quality, and data governance right.

Stakeholder management

Take the time to identify key stakeholders (from HR, Finance, IT and others across the business) and open up communication channels early. This will help you set expectations up front, and establish the relationships you'll need later when you're aligning workforce analytics with business goals.

Data quality

At the start of any new data initiative, it makes sense to revisit basic data hygiene practices, like assessing the quality of your data – so you can gauge the need for data clean-up – and documenting your data-gathering and reporting processes. Whatever issues you find, don't let poor data quality hold you back.

Share imperfect data and make it visible, so its owners are encouraged to improve it. It may help to establish a data-scoring model for this purpose.

Key fact

67% of CHROs believe they have to get better at communicating talent management insights to the board.⁴

Data governance

Because HR data is by its nature personal data, privacy rules must be respected. Data governance is everybody's job, but someone has to take ownership to ensure that your teams are working with shared definitions, rules and processes.

The right skills

You need the right mix of skills – not just for analytics but also for the tasks that surround it. That means high-level strategic thinking and advanced visualization skills, so you can communicate output effectively.

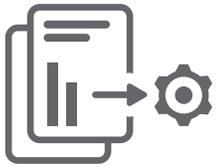
Improve your data presentation capabilities so you can engage senior leaders by translating complex analysis into consumable formats. The presentation of analytics has to be simple enough to understand, yet configurable enough to be meaningful.

Too much data or too many options can make it hard to spot a pattern or understand a trend. At the same time, be wary of oversimplifying data analytics or underrepresenting features like customization.

“All of our managers and executives are using the Analytics dashboard, so now everyone is looking at the same set of data and speaking the same language.”

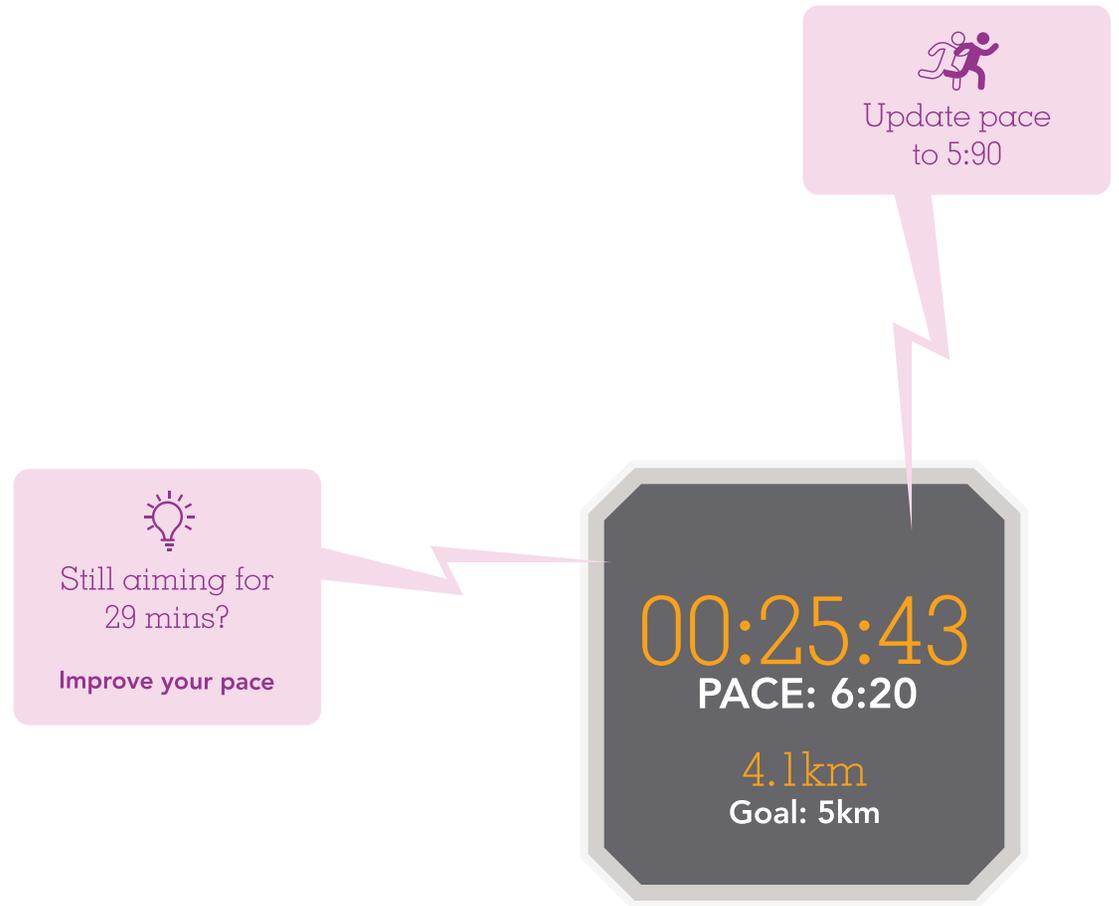
**Annelise Galaup,
National Director of Shared
Services Center,
FirstService Residential**

Step 4: Act



From data to insights to action

The last step in this methodology may sound obvious, but a surprising number of analytics initiatives fail at the final hurdle. When workforce analytics do not lead to any real-world action, it's just reporting. When it does, it can change entire businesses for the better.





Analytics in action

From data dashboard to
compensation strategy

A top retail organization gave an hourly attendance bonus to employees who had perfect attendance through the week at one of its locations. But they had no way of analyzing whether this incentive was actually reducing absence rates.

The organization looked to their HCM analytics partner to help them display earnings and absence for each location side-by-side on a custom dashboard. When the leadership team reviewed this dashboard, they saw no correlation between the incentive program and a decrease in absence rates.

Armed with that insight, leadership knew it had to reevaluate its compensation strategy, and focused its efforts on new ways to engage its employees. Without analytics, this kind of agile experimentation (and, most importantly, decisive action) would not have been possible.



Analytics in action

Visibility that
unlocks productivity

When one organization conducted a regular audit, it discovered large numbers of manager edits and entries to its Time and Labor Management system at certain locations.

They discussed the issue with the relevant managers and shared analytics dashboards for each location so local managers could monitor their own progress in reducing or eliminating the number of manager edits. The goals were two-fold: To reduce administrative time for managers, and to use time recorded by the system rather than that reported by staff.

The issue was, because employees were not being scheduled, they would find that they could not clock in for work when they arrived. The implication was a potential loss of ten minutes of work per hourly employee per instance, and an additional ten minutes of lost productivity for the manager to manually enter the time in the employee's time card.

By using these analytics dashboards for auditing purposes, the organization was able to eliminate an estimated 37,500 minutes of wasted productivity in one facility alone.



Analytics in action

Turning workforce data into talent retention wins

As a leader in the high-end health and wellness sector of the hospitality industry, Canyon Ranch employs a broad array of nonexempt and exempt staff – from therapists and physiologists to dieticians, chefs, and housekeeping personnel.

And like any company in the hospitality sector, Canyon Ranch has to prioritize the hiring and retention of talent as a strategic business objective. They knew they had to invest in an automated HCM system that would give them real-time access to their employee information, as well as access to trusted external data to help identify wider workforce trends and issues – in order to make evidence-based decisions.

Canyon Ranch was already using a single HCM platform for Payroll, HR, Health and Welfare and other services, and made the decision to roll out the Analytics and Benchmarking capabilities that it offered.

Using highly visual, configurable dashboards, Canyon Ranch can highlight workforce trends and potential issues – measured against predefined ranges of acceptable performance – with the ability to introduce benchmarking data from organizations in their industry and geographic locations to put their performance into context.

The returns were immediate. For example, Canyon Ranch's corporate and location management teams' monthly management report had long been a simple, static spreadsheet. That was replaced by dynamic dashboards showing snapshots of workforce trends like hiring and retiring, made up of time-to-fill and workers' compensation data, new hires by location, year-to-date attrition and more.

That information helps managers at Canyon Ranch headquarters, as well as its properties – giving the former insights that inform decisions about company-wide initiatives like onboarding and employee orientation, and giving local management the tools it needs to deal with employee performance and satisfaction where they are. And when it's time to review salaries or make job offers, Canyon Ranch can use national and industry benchmarking data to validate its compensation levels against similar jobs. With these new benchmarked insights, Canyon Ranch HR was able to evaluate approximately 100 jobs as part of an annual company-wide compensation review.

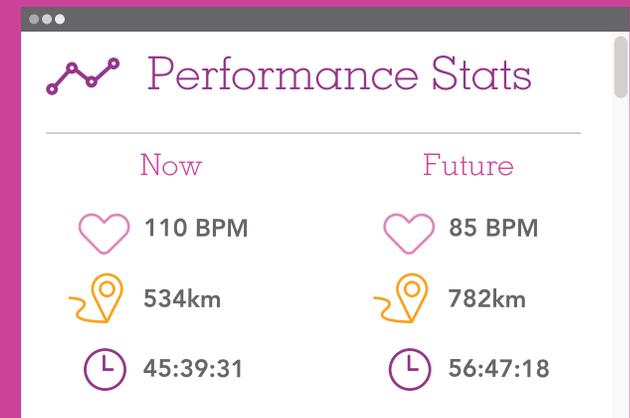
Canyon Ranch is now turning its sights toward using the powerful predictive features of its analytics solution to help lower attrition rates, especially the departure of key employees.

Over to you

You should now have a better idea of your organization's workforce analytics maturity – where you stand today and what you need to do to put your people data to work for you.

With the right approach to analytics, you can turn data into insight, and then insight into action. You don't need to be at the top end of the maturity model for everything, but if you want to stay ahead, you need to be moving forward.

We're ADP, and we're all about data. We help organizations turn theirs into business value by generating workforce insights that guide strategic business decisions – you've read about some of them in this workbook.



Next steps

Now it's time to think about the HR analytics solution that would work best for your organization. Some companies build from scratch in-house, or invest in standalone software solutions. Others partner with a full-service provider.

For an in-depth look at your options, and detailed questions for every stage of consideration—contact your ADP HCM Specialist—we love to talk to smart leaders about how we can help.

Did you know, ADP

- Leverages insights from 30 million people records*
- Provides comprehensive HCM capabilities in more than 100 countries
- Offers employee support in 29 languages.
- Serves 70% of Fortune 500 companies
- Pays 1 in 6 workers in the U.S.

*U.S. data. Benefits data accounts for 20 million. All records are aggregated and anonymized.

