

making people count

from workforce analytics to organizational planning

A survey of more than 400 decision makers in Human Resources (HR) and Finance from organizations with 1,000 employees or more



Adoption is high, but people, process, and technology confidence lags.

Workforce analytics is going mainstream but many organizations don't have control of their data or a clear understanding of where to start.

Organizations find workforce analytics difficult because:



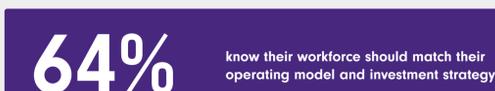
HR and Finance are not collaborating



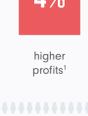
Spreadsheets still dominate



Organizations need people with analytics skills



Data-driven decision making leads to:



Just 15% of CEOs have changed a business decision as a result of data²

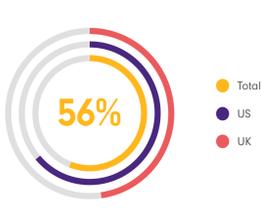
¹ MIT Center for Digital Business (2011) Strength in Numbers: How Does Data-Driven Decisionmaking Affect Firm Performance?

² Gartner (2018) Leaders Need Talent Analytics and Insights to Drive Change and Improve Organizational Performance

Meet challenges with data-driven capability

View people in terms of 'work and value' instead of 'role and cost'.

The 2 biggest business challenges in the next 12 months are:



Other top business challenges:



Although workforce analytics is rising in popularity, capability is not keeping pace



Only 44% can confidently say their workforce is aligned to their operating model



91% agree modelling will be important for planning in the future



But only 31% say they can do it well today

Fewer than half of respondents feel well placed to provide answers to key questions asked by the business



better together: collaboration between HR and Finance

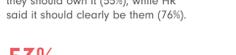
Developing a strategic workforce planning capability will require systemic collaboration between HR and Finance. Workforce Planning and Analysis (WP&A) activities are seen largely as the responsibility of HR over Finance, especially when it comes to getting the right skills and determining future needs.

HR professionals in particular see these tasks as their domain, with the possible exception of managing workforce costs. However, finance professionals take a more divergent view of who is responsible for WP&A activity.



45% of HR felt they had a good working relationship with Finance, while only 25% of Finance felt the same.

When asked about strategic workforce planning, Finance said they should own it (55%), while HR said it should clearly be them (76%).



but only...

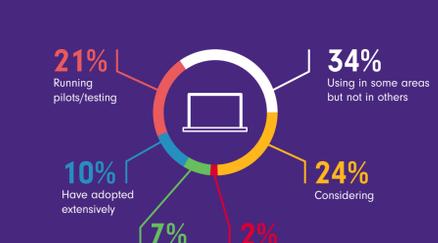


escaping 'dreadsheets': software adoption for workforce analytics

Organizations that use specialist software extensively have stronger workforce analytics capability.



but only 10% use workforce analytics software extensively within the business



Our survey shows those that have adopted specialist software for workforce analytics have an advanced capability for workforce planning across the board:

- They're twice as capable at analyzing headcount costs (73% vs 36%) and 3 times better at matching people with positions (60% vs 20%)
- They can produce org charts far more quickly than those using office software (58% vs 33%) and are far better at aggregating and cleansing data (48% vs 21%)
- They're twice as good at activity analysis (53% vs 28%)
- They're clearer on their risk exposure (58% vs 49%), so are in better position to do something about it

acquiring people skills for mastery of analytics

Having the right people skills is critical to developing workforce analytics capability.

biggest barriers to workforce analytics



Building analytics capability



partner with Finance



outsource



reskill and hire talent

OP&A: becoming future ready

There is a clear appetite for "continual and advanced analytics and planning (48%)", but most organizations are still in an early stage of development. Having the right people skills is critical to developing workforce analytics capability.

Finance provides a good model for how HR can improve workforce planning, budgeting, and forecasting. HR lacks the equivalent of Financial Planning and Analysis (FP&A). Financial Operations is responsible for accounting and reporting, but it's FP&A that prepares the business for the future.



53% spent on people and processes but only 25% on technology



5 steps to becoming future ready

- Start with a small, multi-skilled team. Address skills gaps with support from Finance, other parts of the business, and/or outside experts
- Put analytics at the heart of OP&A, which is data-led with proven methodologies and has a results driven focus
- Take a collaborative approach and work together with FP&A teams, sometimes with dual reporting, sometimes
- Use purpose-built platforms for the analysis and modelling of data from any source
- Budget for the ongoing work of the OP&A team