



#### The disconnect in datadriven decision making

Data is a valuable asset, but only when organizations can use it strategically to make better decisions. Many organizations find this challenging: In fact, only 30% of companies reported having a well-articulated data strategy in the recent *Big Data and AI Executive Survey* study by NewVantage.<sup>1</sup>

People data, in particular, has the power to help organizations make better and faster staffing decisions, control labor costs, and move with agility. But to truly see the value of your people data, you need to ensure your organization isn't spending more time centralizing data than analyzing and acting.

Many HR leaders will be the first to say they are data rich and information poor. Human capital management (HCM) systems contain a wealth of data, but organizations often struggle to extract insights from that data. A common reason behind these challenges is that many companies use separate systems for various HR functions, which results in siloed data. When data isn't easily accessible for analysis, using it becomes yet another task that wastes time. It also means organizations may need workers with specialized skill sets to translate it into actionable insights.

In a world where business leaders need to move quickly, having a single HCM solution with one source of truth for people data can give people greater visibility and agility.

"Advanced systems are data systems, not just softwareas-a-service. They will house your data and process data and tell you things about your workforce that you didn't know."

Josh Bersin<sup>2</sup>

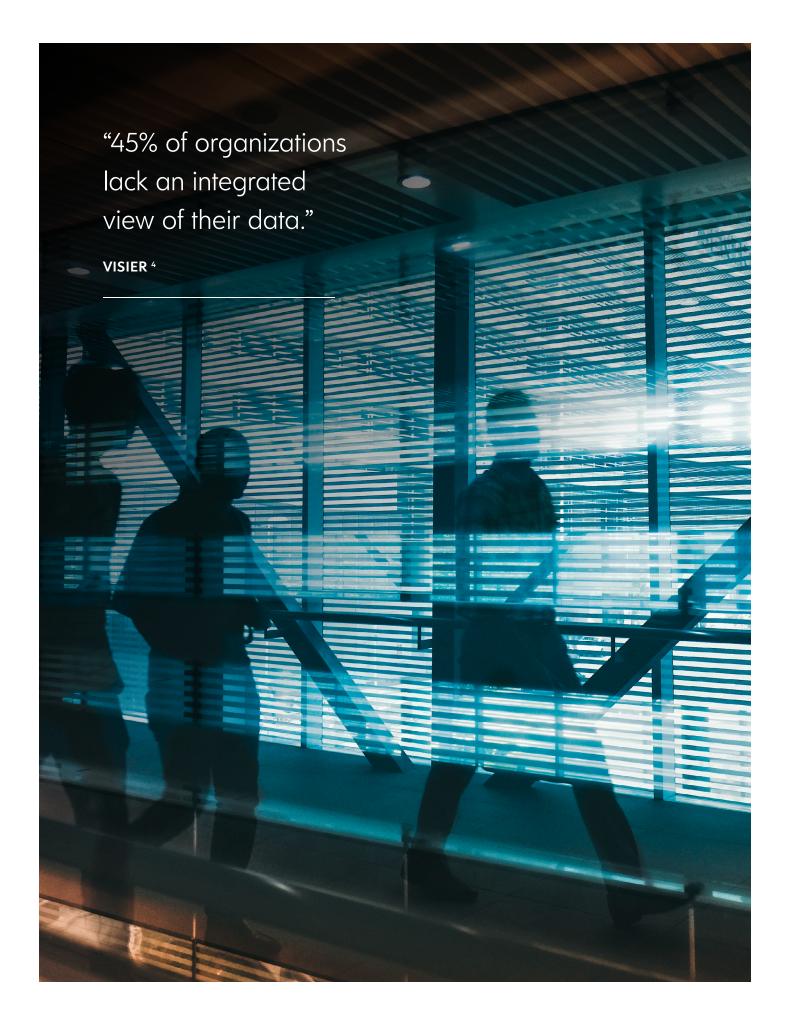
Big Data and Al Executive Survey, New Vantage Partners, 2021

<sup>&</sup>lt;sup>2</sup>Roy Maurer, Bersin: "HR Tech is Not Just For HR Anymore", <u>SHRM</u>, 2022

#### Identifying barriers to workforce intelligence through HR analytics

Accessing the real power of people data starts with overcoming some common challenges organizations face. Two of the biggest barriers to leveraging HCM data effectively are accessibility and culture. Organizations need to ensure the right data is available to the right people – in real time. And there must be a culture of data-driven decision-making that compels leaders and individual contributors to consider data when making choices about everything from hiring and compensation to promotions and scheduling.





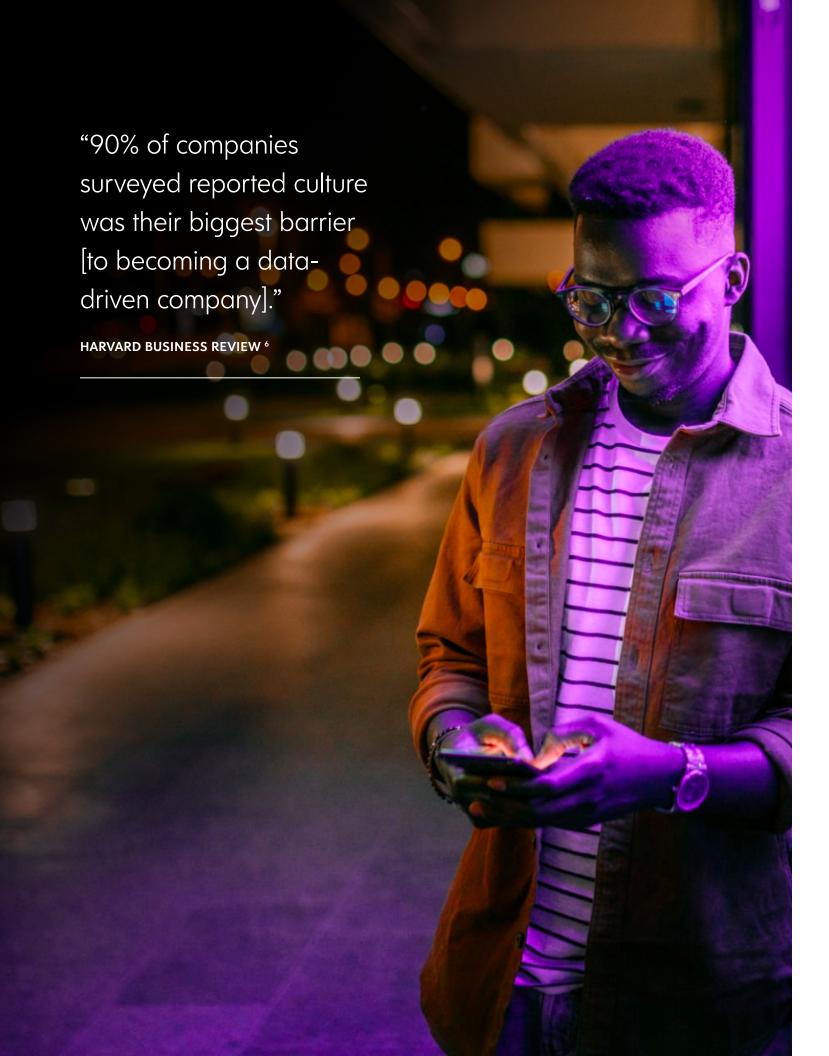
#### **Challenge:**

# Matching the right data to the right people at the right times

People want clear reporting and an action framework that allows data to work for them, without wasting time in multiple systems. Maximizing the power of people data requires the right tools to tie the data to business metrics. Much like your talent or your product, data needs to be managed as a valuable asset to your organization, from capture to insight.

Many organizations have a wealth of raw people data, and some have business intelligence teams dedicated to analysis, but even this may not be enough when core systems don't talk to each other. And when HCM vendors don't provide direct access to your data, it can lead to more expensive reporting.

These access challenges can also contribute to a lack of trust. People may not trust people data compiled from various sources, or they may doubt the impact of solving business problems with people analytics. This can result in leaders relying on intuition or outdated workforce strategies from pre-pandemic ways of working. The Age of People Analytics Survey found that 45% of organizations lacked an integrated view of their data, and 40% of organizations surveyed reported data quality issues.<sup>3</sup> To make more proactive decisions, leaders need personalized dashboards and augmented analytics that take their visibility of key trends to the next level.



#### **Challenge:**

# Making data-driven decisions part of your culture

People data is now essential for the right business outcomes, and making workforce decisions with data can have a financial benefit. Research from Visier and the People Intelligence Alliance found that, on average, organizations using people analytics were more profitable and have a higher return on assets, generating \$125,000 per employee in revenue over their peers.<sup>5</sup>

But to see that value, people need to regularly use data as part of their daily decision-making. Today's workers move at a fast pace and are accustomed to having information at their fingertips. Without the right tools and metrics in place, they are likely to miss out on key trends and decision points. They also may not have time to generate reports from scratch or extract data from multiple systems that don't talk to each other, where data is in incompatible formats. Chasing down data when it is spread across systems can cause errors and delays.

The impact of these access challenges is that your leaders may not have time to act before problems occur, such as critical talent leaving or labor spend exceeding your budget. Your business leaders also may not yet be accustomed to working with data, and they often already face a heavy administrative burden.

Getting HR analytics right requires a culture where people can easily plug in and leverage personalized insights without the barrier of disconnected systems, data quality issues, or lack of analytics skills. Organizations need to nurture a culture of data-driven decision-making. Achieving this starts with taking a close look at your HCM systems to understand whether they're helping or hindering business leaders in accessing and leveraging people data.

#### **Solution:**

#### Leveraging data for workforce intelligence with a single system

The key to overcoming the challenges and barriers that get in the way of using people data effectively starts with technology. The right HCM platform can help you improve data access by delivering the right data and insights to your people when they need them most. It can also help you build a culture of data-driven decision-making through personalized experiences that save your people time.

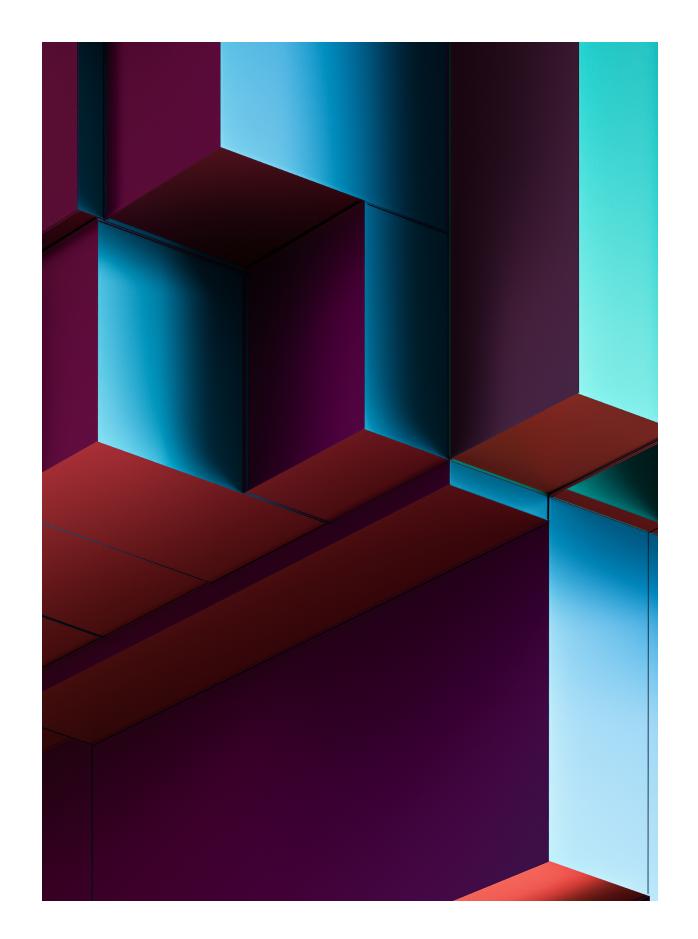
Organizations should look for an HCM system that is built with a single source of truth for people data. With a single system, no extra data movement or transformation is required, providing you with more accurate, faster insights into your workforce. Consider if different HCM systems such as scheduling, talent, compensation, and time and attendance shared a single person record and could work together more efficiently, more accurately, and generate more intelligent insights.

And there's more potential for innovation outside of the standard use case for workforce data. The more data available for predictive analytics and machine learning, the more opportunity there is to generate insights into your people strategy.

In the long term, people analytics can help you be more proactive – not reactive – about how your business is run.

"We're achieving the labor percentage and the labor cost that we believe is right for the trade that we've got. Long-term, we'll be able to hit our goals from an efficiency point of view."

ROD DEARSLEY, CFO, BANKSTOWN SPORTS CLUB ⊅



## Benefits of leveraging a single system

The right technology can give leaders access to real-time reporting to help make more effective workforce decisions at every stage of the employee lifecycle. With the right data, people analytics can help you uncover the reasons behind turnover, make competitive compensation decisions, manage labor spend, find weak spots in processes, and improve the employee experience. The power of a single HCM system:

- Simplified access to real-time data
- · Visibility into the full employee lifecycle
- · Scalable to match changing business needs

#### Simplified access to real-time data

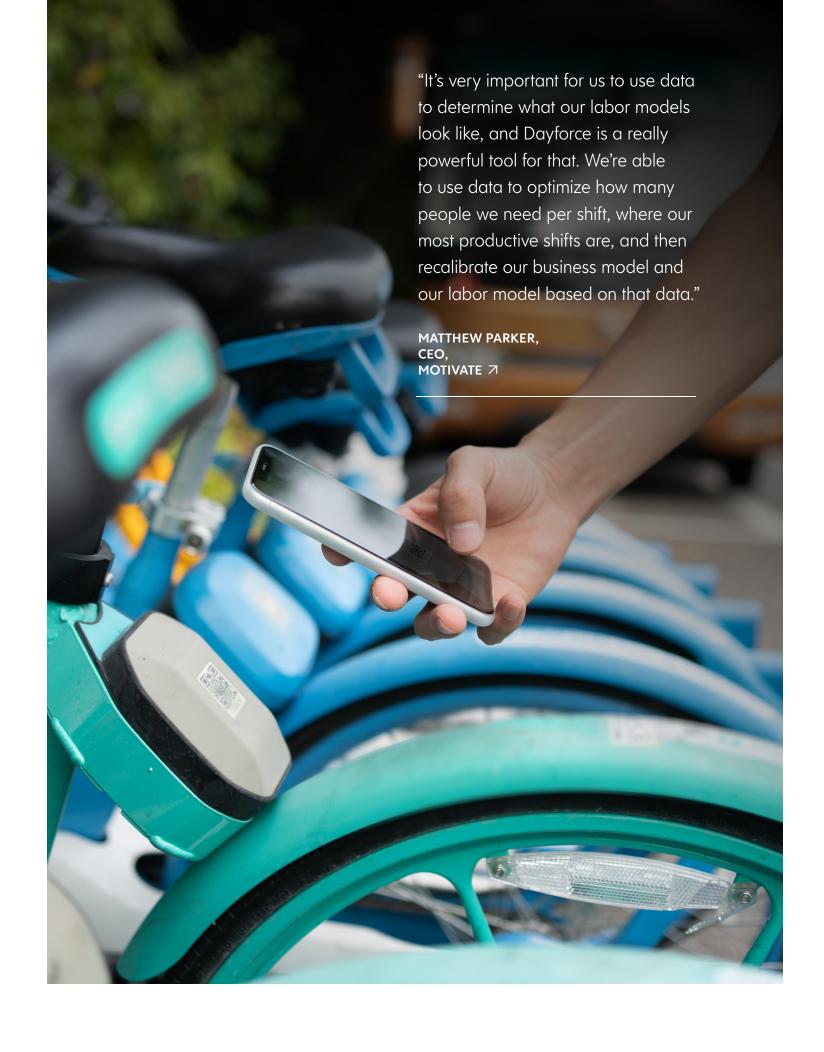
An HCM system with a single data architecture allows for instant feedback across the entire application suite. There is no extra data movement, no data transformation, and no constraints to value creation. While using multiple applications can limit your options for pulling data, a single system provides clean, effective data for machine learning and augmented analytics to take visibility to the next level.

#### Visibility into the full employee life cycle

A single system gives you a view into the full employee lifecycle, not just a point in time. Business leaders have consistent, centralized, and personalized reporting on areas like recruiting, payroll, scheduling, and benefits, areas of high importance or cost to your business. A unified solution provides insight into how people impact revenue, profitability, and productivity – business intelligence that allows you to make more effective workforce planning decisions.

#### Scalable to match changing business needs

When your analytics strategy is the backbone of your operations and workforce planning, your systems need to grow and change with your business. A single system avoids disjointed processes that come with different applications and hardware. Instead of tacking on pieces over time, your analytics and human capital management systems can grow with you. A single system also allows for easier maintenance and service upgrades, as opposed to managing different integrations for disparate applications.





### Making data part of your business DNA

People data fuels workforce intelligence by supporting people leaders, executives, and individual contributors to make data-driven decisions in real time.

Here are some examples of workforce intelligence in practice:

**HR:** Leveraging predictive analytics to help reduce unconscious bias, increase retention, and improve employee engagement across the full employee lifecycle.

IT: Maintaining your HCM data in a single system and managing the flow of efficient and standardized reporting.

**Pay and finance:** Accessing real-time financial data with insights into everything from labor and replacement cost to multi-region payroll.

**Operations:** Switching from a reactive to proactive analysis of workforce trends such as turnover and absence patterns, and scheduling for demand.

# How executives are leveraging data

"Dayforce allows us to be more agile in our decision-making around the performance and health of our human capital."

"I use the data to do a quick analysis on wages that are paid for a certain job, or to review a specific employee whom a manager may be looking to promote. I also use it to look at an employee's history with the company."

MICHELLE WAGNER,
SENIOR COMPENSATION ANALYST,
THE HILLMAN GROUP 7

"With our data in Dayforce, we can very quickly give our operators feedback on the initiatives that they're pushing and tell them what's working."

BRETT BYERS, SENIOR HRIS MANAGER, OTG MANAGEMENT ⊅ "With the data available, everything just becomes seamless. Employees know their starting times, finishing times, and break times. By using data, we can identify the peaks and troughs in the business during employee shifts so that managers can work out when their breaks are and guide the staff by using that data."

ROD DEARSLEY, CFO, BANKSTOWN SPORTS CLUB ↗

"We're able to use data to optimize how many people we need per shift, where our most productive shifts are, and then recalibrate our business model and our labor model based on that data."

## Simplifying data management and compliance for a borderless workforce

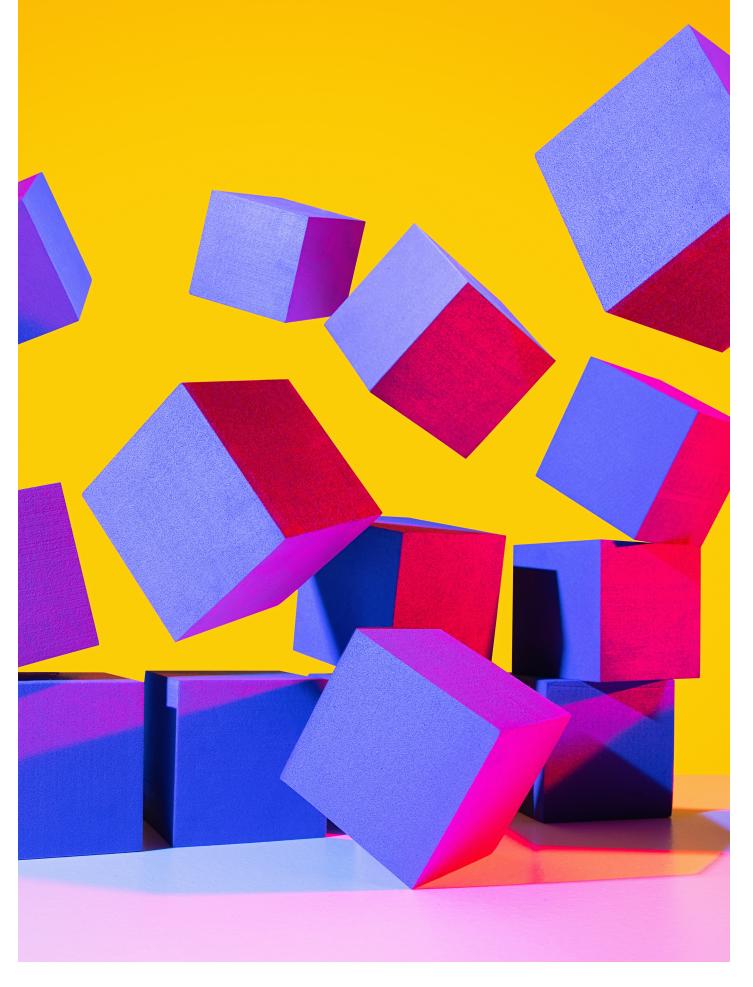
The right HCM system helps improve access to data, and helps simplify compliance and support data security. With more people working remotely with different tax requirements, organizations are tasked with navigating the legal and regulatory landscape across multiple operating regions. This increasing complexity comes with additional costs.

The use and housing of personal information has also become a focus for regulators and employees alike. More people are concerned with how their personal information is stored.<sup>7</sup> As data security becomes difficult with disparate systems, a single architecture for all HCM activities becomes an attractive option from an operations, legal, and technology standpoint.

It takes time to understand the compliance complexities associated with payroll, taxes, scheduling, and other workforce management activities. Staying on top of data privacy and HCM requirements regionally and globally needs to be properly managed so that your organization isn't exposed to the risk of costly fines and a poor brand reputation that makes retaining and attracting talent difficult.

"Data is critical to understand what's going on and manage the business better. We're now better able to manage our workforce and anticipate needs. We're able to address issues proactively rather than reactively."

ALAN HOUSE, EXECUTIVE VICE PRESIDENT OF HR, OTG MANAGEMENT ⊅



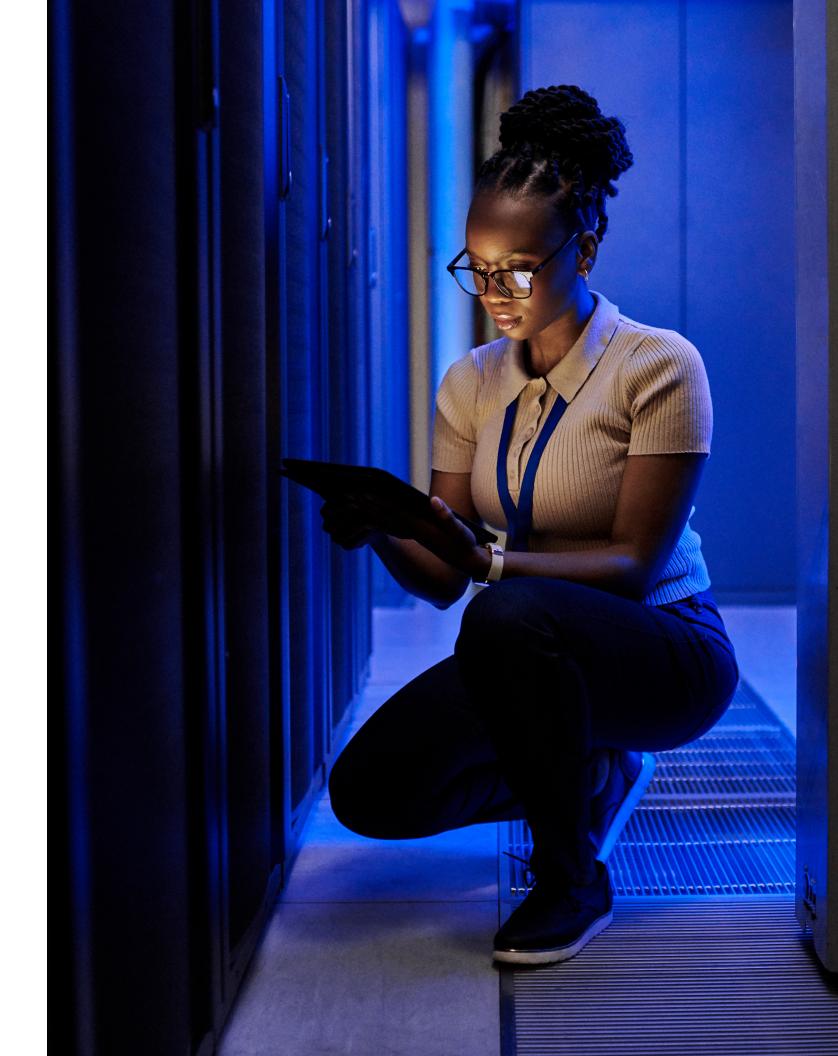
#### The path forward

To have a truly data-driven organization, you must empower your people with information that improves their decision-making at work. Instead of attempting to extract insights from a disjointed, siloed system, your HCM system should provide a single source of people data touchpoints across your organizations – a holistic view across the employee lifecycle.

Arming your people with the right data in real time can become a competitive differentiator for improving employee engagement, reducing turnover, managing costs, and streamlining operations.

#### Key takeaways:

- Harness the power of a single system for standardized reporting, augmented analytics, and a complete view of business performance.
- Create a data pipeline to deliver insights for different business leaders.
- Grow your business with a HR analytics solution that's scalable and requires no extra data movement or transformation.
- Start with high-impact business problems for early wins to demonstrate the value of insights to your business leaders.
- Build awareness of the value of connected systems and the opportunity that comes with innovating people processes.



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