

# UNCOVERING THE POWER OF WORKFORCE ANALYTICS

How to use workforce data to mitigate three common business challenges





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### Introduction

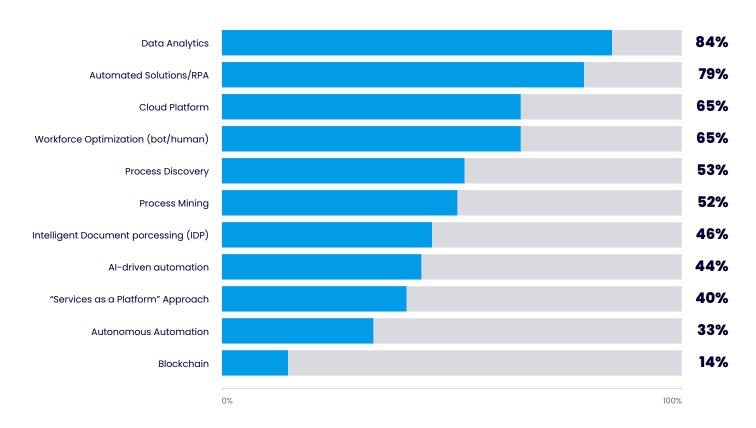
In today's dynamic business landscape, organizations continue to search for innovative ways to enhance productivity and efficiency. Optimizing workforces through talent management has emerged as a strong strategy to streamline daily operations and provide an elevated customer experience. One effective approach to talent management is utilizing workforce analytics tools.

Workforce analytics refers to the practice of collecting data about your workforce and turning the insights into action items that support the organization and employees. Workforce analytics platforms visualize an organization's workforce data and provide

timely insights. The platforms can pull relevant data from various locations, providing a comprehensive understanding of the workforce. This allows organizations to make stronger data-driven decisions regarding their talent management.

Strategic talent management already appears as a priority within the industry as, according to SSON's 2024 State of the Shared Services & Outsourcing Industry Report, 65% of organizations are currently prioritizing workforce optimization tools. SSON's data indicates that workforce optimization remains a focus within the industry, and thus workforce analytics is a valuable solution.

### How Are The Below Tools Prioritized In Your SSO/GBS







# Key Workforce-Related Issues Within Shared Services



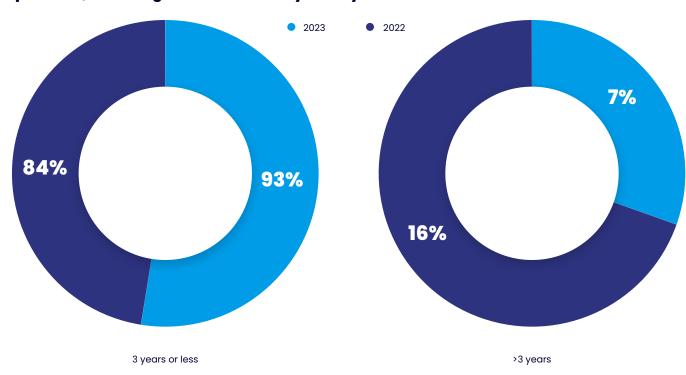
### 1. Attrition

Although organizations are continuing to innovate new ways to attract talent, retaining their workforce can be slightly more challenging. High employee turnover is costly for a business, as recruiting and training talent requires more resources than developing existing talent.

Most likely, attrition will only continue to grow as a business challenge. The emerging younger workforce appears more inclined to switch careers, as career pathing becomes less of a priority. In the 2024 State of the Industry report, only 39% of organizations view career paths as a motivator for the demographic, a 10% decrease from the year before.

Recently, there has been a lot of buzz regarding the younger generations as "job hoppers" and this perception seems to have only barely shifted. In 2022, 93% of organizations predicted that the younger demographic would only stay in their roles for 3 years or less. Now, 84% maintain that prediction. Despite the 9% decrease, the vast majority of companies continue to have some reservations about the longevity of the younger workforce. Leveraging workforce analytics can alleviate the risk of attrition as employees will feel closely supported, whilst having access to insights that can promote career development.

# Retaining This Younger Demogrpahic Is Proving Challenging. Realistically Based On Your Experience, How Long Do You Think They'lll Stay?







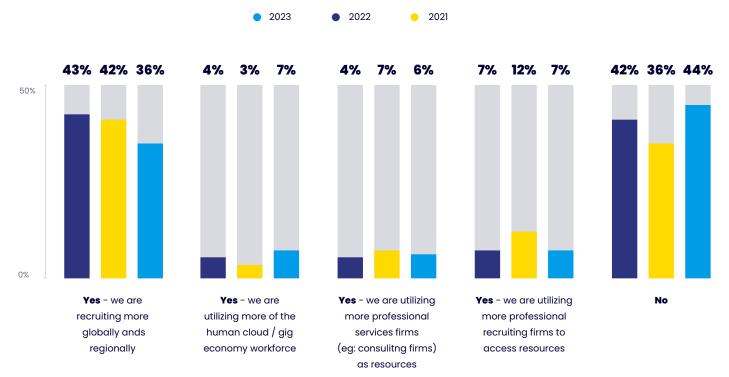
### 2. Recruitment & Upskilling

Organizations are reporting increasing difficulty in filling roles, which only highlights the importance of nurturing existing talent. Thus, the value of workforce analytics will likely only become more evident due to talent shortages. With the current scarcity of quality talent, half of the organizations listed upskilling as a top objective. This presents an opportunity to leverage workforce analytics, as utilizing and retaining existing talent effectively can reduce pressures from the labor shortage.

SSON's 2024 State of the Industry Survey notes a steady increase in global and regional recruitment. Between 2021 and 2023, organizations expanding their recruitment outreach grew from 36% to 43%.



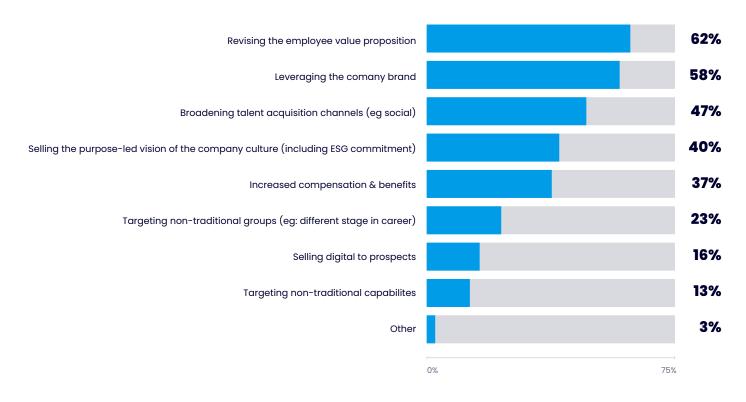
# Has Your Recruiting Strategy Changed As A Result Of Future Work (FOW) Trends Over Recent Years?







### What Efforts Are You Making To Attract Talent In General?



The current difficulty acquiring talent is further emphasized by the efforts organizations are making to attract talent. Sixty-two percent of organizations are revising their Employee Value Proposition (EVP) and 47% are broadening their talent acquisition channels. These strategies help businesses remain competitive as, for example, a strong EVP can help showcase an organization's culture and values.

However, sometimes strategy still falls short. SSON's 2024 State of the Industry report revealed that access to talent and skills is one of the top three outsourcing drivers, despite GBS organization believing captive/in-house centers deliver more benefits. These contradictions in the data are evidence of the current "war for talent", as organizations go to increasing lengths to access a larger talent pool.







### 3. Engagement & Performance

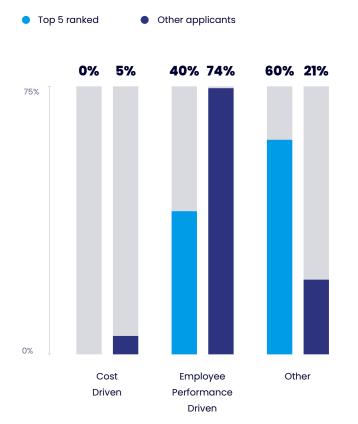
High employee performance is an obvious concern amongst shared services and GBS organizations, as it elevates productivity, efficiency, and customer experience.

SSON's <u>The World's Best GBS Data from 2023</u> revealed that employee performance is a main driver of involuntary attrition within the industry. Of the top ranked GBS organizations, 40% linked their attrition to employee performance. Additionally, 74% of the other organizations reported to be facing attrition

based on employee performance. This does not necessarily reflect poorly on the workforce but rather illustrates that performance management is a key focus for businesses.

This high standard of talent is evidenced through the generally high perception of capabilities and skills within organizations. Of the top ranked GBS organizations, 60% labelled the level of skills as high, with 40% opting for expert. The others follow a similar trend, with 70% answering high and 20% expert. Workforce analytics has the potential to maintain this level of quality, or perhaps even improve it further.

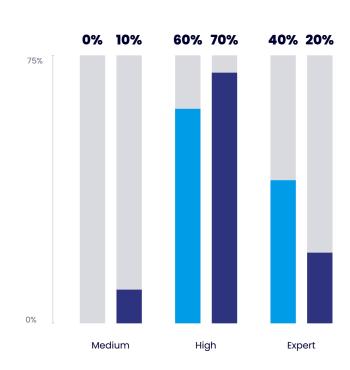
# What Is The Main Driver Behind Your Involuntary Attrition?



# What do you perceive to be the overall capabilities?/skill level (depth and breadth) of your GBS employees?

Other applicants

Top 5 ranked



## The Power of Workforce Analytics



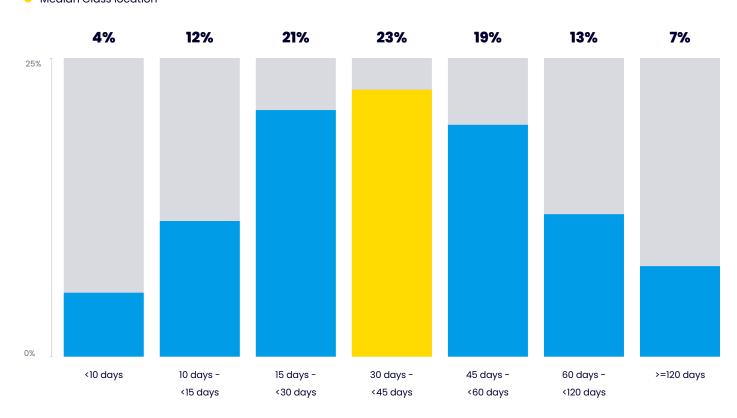
Elevating Employee Experience (EX) is certainly a priority within the industry, and workforce analytics is a strong solution. Data collected by SSON Research & Analytics in 2023 revealed that 62% of organizations consider enhancing employee experience (EX) critical to a great extent. 60% considered improving EX a top objective within the next 5 years.

Workforce analytics platforms often allow employees to access their own data analytics. This can be beneficial to reducing attrition because transparency can cultivate a positive relationship with management. Empowering the workforce to access their own data can further reduce turnover as it promotes personal development. Employees can feel in control of their career progression, which increases motivation and well-being.

In addition, workforce analytics can optimize HR policies, as HR teams can confidently make datadriven decisions that improve work-life balance. These developments can reduce attrition, as well as costs derived from recruitment and training. Workforce analytics can be as beneficial to employees as it is to employers, as it facilitates a collaborative work culture.

### Days to Fill a Vacancy

Median Class location









### Reduce Acquisition Pressures By Optimizing The Workforce To Their Full Capacity

With the ongoing talent shortage, talent acquisition can be a long and costly process for organizations. According to SSON Research & Analytics Metric

Benchmarker, 23% of organizations take between 30 and 44 days to fill a job vacancy. Moreover, 32% report needing between 45 and 119 days. With the majority of organizations taking at least a month to fill a vacancy, the workforce must be managed well to ensure businesses are recruiting effectively.

Capacity management can reduce recruitment pressure, as it ensures the existing workforce is leveraged as effectively as possible. Capacity management refers to the process of ensuring a business maximizes its potential productivity and output. Workforce analytics can facilitate capacity management as data insights can impact staffing decisions. This can include hiring new employees to meet demand, redirecting resources efficiently, or reducing bottlenecks by identifying underperformers.

Stronger capacity management, streamlined through workforce analytics, maximizes business efficiency despite acquisition obstacles. Although this does not address the root of the "war for talent" it enables organizations to continue working at a high standard by optimizing their existing workforce.

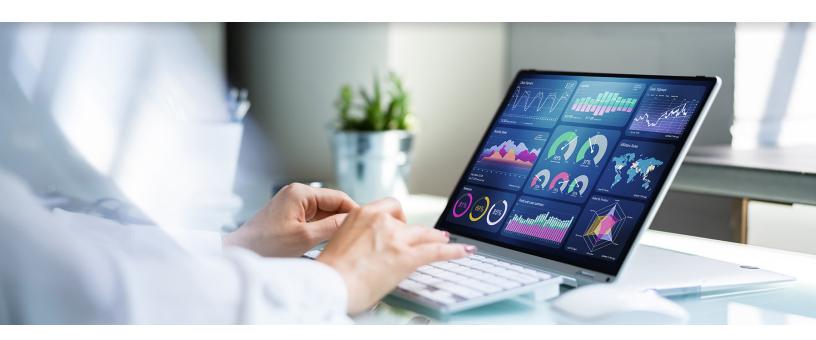


### Elevating Remote Employees' Engagement & Performance

In this digital age, more and more organizations are opting for remote/ hybrid working models.

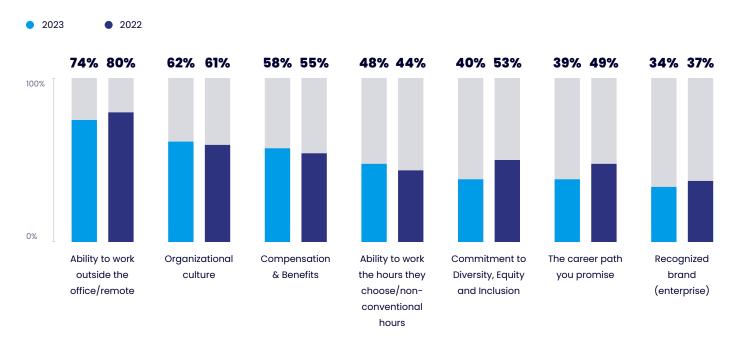
According to SSON data, over a third of organizations had between 41% and 60% of their enterprises operating virtually. This trend only continues to grow, as SSON's 2024 State of the Industry Survey revealed that 74% of respondents noted that the younger workforce demographic is looking for the ability to work remotely.

Despite the flexibility remote work allows, it sparks concerns over employee engagement and productivity. It can make it more difficult for employers to manage their workforces, as there is decreased connectivity to employees.





### What Are The Key Elements Gen Z Are Looking For? What Motivates This Demographic?



However, utilizing workforce analytics could be the ideal solution to allow both employees and employers to benefit from remote working. Revisiting the key issue of employee engagement and performance, workforce analytics can extract work effort data from any location in near real time. For example, Sapience Vue™ provides visibility into employee efforts and activities in near real-time- regardless of where they are located. The platform helps organizations understand the work pattern differences between in-office and remote work, which allows leadership to create an optimal business environment.

This transparency allows leaders to reduce wasted time and unnecessary costs by identifying inefficiencies. Simultaneously, the technology can identify indicators of potential burnout. This allows the platform to remain beneficial to both employees and employers, maintaining strong employee engagement without compromising well-being.

Workforce analytics addresses issues surrounding attrition, acquisition, and engagement through its near real-time data and actionable insights. The transparency of workforce-related data can empower employees to take control of their career development, nurturing a collaborative atmosphere. The platform's insights can facilitate improved capacity management, which elevates productivity. Finally, keeping up with the digital age, workforce analytics can maintain high levels of engagement amongst employees without compromising the flexibility of remote working.







### **In Conversation With**

# Bradley Killinger CEO and Director of Sapience Analytics

### In your own words, why is workforce analytics so powerful?

At a very high level, we set out to create Sapience to be like a Fitbit for work, to help provide data driven insights to how work gets done, where it gets done and when it gets done. By providing our accurate insights to users and managers alike organizations can become data driven organizations and establish a whole new level of transparency from the top to the bottom of an organization. When using Sapience managers are no longer making "gut based" assumptions on how to coach and lead their employees. On the other hand, employees have insights to help them take better control of their roles, manage time more effectively and have meaningful and data-based discussion with their leadership. I used to hear all the time that employees were frustrated with managers who had no idea what they did or how hard they work. This applies to all levels of an organization including your top performers. Somebody quiet might be working 14 hours a day and be on the verge of burnout, and many managers have no idea. Workforce analytics can provide that insight before it's too late.

Compare a high-performance organization to a professional sports team. Fifteen years ago, every professional sports team in the world relied upon having some highly experienced coach who made gut-based decisions. Fast forward to today, there is not a professional sports team in the world that is not using big data and analytics to enhance their performance. While you still have a manager or coach who is going to make the ultimate big decision, these teams would not want to compete in a modern game with being

able to supplement big decisions with the facts of what is really happening on the field of play. And so, I believe that very quickly, all big companies are going to look the same as every professional sports team and they are going to have big data sets around their most important asset, which is their human capital if they hope to remain competitive.

### What specific benefits can workforce analytics bring to the shared services industry?

There is a pretty consistent drum beat to continuously prove your worth. Workforce analytics, and specifically what Sapience can do, really shows a company how shared services is utilized, investments that are needed, while providing a common framework to showcase this to other leaders in the organization. Because you must convince another party in your organization that more investment is needed, workforce analytics is a gold mine because you can say "Look, we are all fully optimized, I told you we need five more people. And now I am starting to see burnout and my attrition rates are going up. We could solve this!" Being able to use this data is a great equalizer as it is not emotional, and there is no hidden agenda.





### A key concern is privacy, especially employee data. How does Sapience overcome that?

We are huge privacy advocates. First, Sapience does not screen scrape or keystroke log or turn on cameras. The second part is that we never capture any private information. Also, we have built into our SaaS platform multiple privacy settings. We have some customers who are using these insights almost purely from the organizational level data. So, they will not allow even managers to drill down into individual data. They just want to understand where the gaps in capacity are, and what are the trends that we can see across the organization. So, Sapience has multiple settings inside of our platform that also give the utmost flexibility to a company depending upon what their culture is.

Sapience is E-privacy certified. That is a testament to our solution. We do have installations in some of the most privacy-minded countries in the world. So, we feel very good about the privacy investments that we have made.

### In the last five years, there have been a lot of changes in how work gets done, particularly with the COVID

### pandemic, as remote working models have become more prevalent. How would you say Sapience contributes to the future of work?

I have been surprised when I read articles about large companies having public food fights with their employees over work from home. Employers talk about needing to strengthen culture and collaboration while employees just hear that their managers don't trust them. I translate this discussion to employees wanting flexibility and employers demanding accountability. Our platform can factually answer the questions about what you are gaining/losing from your work model. We also enable companies to have a datadriven discussion about what model they are going to leverage and why.

I think that the new future of work will have a tool like Sapience become a standard requirement for an employee seeking to work from home. This will help companies achieve the accountability they are seeking while also providing their managers with a next generation tool to help them better manage and lead remote employees.





### **What Your Workforce Analytics Solution Should Deliver**



### **Prioritize Privacy**

A common concern amongst stakeholders surrounding people analytics is regarding data privacy. Due to the collection of personal information, ensuring the data is well protected is key. On the one hand, failing to protect employee data can weaken trust within the organization, which in turn could contribute to ongoing attrition rates. On the other hand, failing to comply with regulatory frameworks such as GDPR, DPF, and PDPA could result in hefty legal repercussions for the organization.

Selecting the correct solution provider sets the tone of any tech-based project, and the decision should include considerations of data protection. Many workforce analytics platforms integrate privacy-centric practices into their technology. For example, Sapience Analytics allows organizations to add efficiencies to the business without compromising privacy. Their enterprise workforce platform, Sapience Vue, does not include keylogging, screen scraping, or image capturing. Only work-related applications are reported, and other activities remain private.



### The Power of Visualization

Data visualization can transform how organizations leverage workforce analytics. Choosing a tool with custom reporting and visualization benefits can increase the efficiency of the initiative and can strengthen datadriven decision-making. SSON's State of the Industry Survey 2024 highlighted that 73% of organizations prioritize data visualization for effective visual storytelling.

Effective data visualization can make complex data much easier to digest. Visual representations of data allow users to comprehend trends within the workforce quickly. This speeds up the understanding of data insights, meaning data-driven decisions can be made confidently in a timely manner.

Data visualization can further empower the workforce, as it can promote collaboration amongst teams and leverage data analytics. More accessible and comprehensive representations of data insights can facilitate group discussions and collective decisionmaking. This further emphasizes how workforce analytics platforms can assist in employee retention, as they can foster a culture based on transparency, selfimprovement, and cooperation.



### **Alignment to Your Business Model**

When investing in any technology, educating stakeholders on its value avoids the initiative resembling an uphill climb. When considering workforce analytics, organizations will want to opt for a platform that clearly offers a substantial and sustainable return on investment (ROI). To convey the ROI of workforce analytics, organizations should consider how the tool works for their business model.

Answering the question, 'How does this solution contribute to my organization's wider objectives?' provides focus on what key metrics should be tracked. Then, by leveraging a workforce analytics platform that offers customizable dashboards and UI, organizations can benefit from data insights specific to their enterprise goals. When the platform can be configured to meet an organization's unique needs, the ROI is clearer and can assist in stakeholder buy-in.

Beyond this, many platforms offer integration frameworks to overcome data siloes. This is a strong value add as it allows organizations to pull data from existing business systems. This accessibility helps ensure the implementation of workforce analytics runs smoothly and remains convenient for the organization.

A workforce analytics platform should add value to the organization. Ensuring the use of the tool reflects wider business goals that can facilitate the project's development, while allowing organizations to leverage the platform fully. Rather than stakeholders viewing the tool as a generic technology that may add value, the platform is a solution that seamlessly integrates into their business model to meet their unique workforcerelated needs.



### **Uncover Hidden Potential**

When leveraging analytics, organizations may be concerned about "analysis paralysis." This is when organizations struggle to manoeuvre through vast amounts of data, often leaving them unable to actually take any action in response to the data collected. This can cause businesses to miss out on key opportunities to streamline their processes, increase efficiency, or reduce costs.

Workforce analytics platforms can avoid this dilemma by providing information that facilitates real change. Simply providing an organization with workforcerelated metrics is often not enough. Instead, tools, like Sapience Vue, offer actionable insights to clearly uncover hidden capacities within the business. For example, Sapience offers advanced reporting and recommendations that can help organizations take action. This commitment to turning data into obtainable solutions can transform an organization's talent management strategy into a more purposeful and confident initiative.





## What Your Workforce Analytics Solution Should Deliver – A Major U.S. Bank Boosts **Productivity**

Before COVID popularized remote work, one of the largest banks in the U.S. wanted to bring more flexibility to their workforce through work-fromhome and hybrid options. The company wanted to standardize employee effort levels at home and at the office to increase consistency.

After deploying Sapience for a team of 1,500 outsourced workers, utilization increased by two hours per day. This added 3,000 productive hours to each day, at a value of \$90,000 per day, leading to a savings of around \$24 million. Encouraged by this success, leadership implemented Sapience across their internal loan services team.



### The Challenge

To support a more flexible work environment, management wanted a systematic approach to standardize employee effort levels at home and at the office to increase consistency across the board.



#### **The Solution**

With Sapience Vue data, leadership determined that employees in work-from-home environments had more hours of unaccounted time. Employees logged in and out of work systems at appropriate times but were exposed to distractions at home that weren't present in an office environment. Managers worked with employees to implement strategies for reducing distractions and increasing focus time.



### **Results**

- 1-hour increase in productivity.
- \$250,000 increase in work output without hiring additional employees.



### **Greater Visibility Into Daily Effort**

Employees accessed their own data, making it easier to identify distractions and take accountability for their actions.

#### **Data For Goal Setting**

Sapience Vue data revealed baseline productivity data used to set goals and measure progress, leading to sustained improvements.

#### **Improvement Across The Team**

Managers focused on improving effort teamwide rather than singling out individual performance, for a greater overall impact.

#### **Boost In Productivity**

A one-hour boost in productivity per employee per day led to 975 additional work hours per day for the whole company.

#### **Better Headcount Management**

By increasing the productivity of its existing team, the company was able to avoid hiring new employees.

### **More Engaged Employees**

Engaged employees report higher job satisfaction. Workers are motivated by knowing they are making a valuable contribution.







## Sapience Kicks Off Your Workforce **Optimization Journey**



sapienceanalytics.com

To harness the power of workforce analytics for your GBS, you must embrace the journey to a work culture that embodies transparency, collaboration, and selfimprovement, rooted in data analytics. Your goal is to find talent, retain that talent, and then ensure that talent works well. Leaders are now realizing that a platform like Sapience delivers workforce analytics as a strong solution to inform business decisions to maintain a reliable, high-standard workforce.

By selecting a strong solution provider, you gain a workforce analytics platform that includes automated workforce data collection, data integration and

orchestration, interactive visualizations, data democratization, and decision-making insights to help an organization become a more collective unit, working towards the common goal of enterprisewide improvement.

Sapience can help you uncover the power of workforce analytics for your GBS organization, providing a quick analysis of your business. Alternatively, if you are interested in learning more about workforce analytics, look out for the upcoming webinar series hosted by SSON in collaboration with Sapience, or visit sapienceanalytics.com.



www.ssonetwork.com

The Shared Services & Outsourcing Network (SSON) is the largest and most established community of shared services and outsourcing professionals in the world, with over 170,000 members. Established in 1999, SSON recognised the revolution in support services as it was happening and realised that a forum was needed through which practitioners could connect with each other on a regional and global basis. SSON is a one-stop shop for shared services professionals, offering industry-leading events, training, reports, surveys, interviews, white papers, videos, editorial, infographics, podcasts and more.



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SSON Research & Analytics is SSON's global data analytics center, and your premier resource for all the metrics, benchmarks and insight that affect your Shared Services and GBS operations. The SSON R&A platform provides data-driven intelligence via access to a library of research studies and four data tools: Metric Benchmarker, City Cube, Intelligent Automation Universe and the Shared Services Atlas. Thousands of GBS and outsourcing professionals use our data and insights to understand the emerging landscape in their region and globally.



