5

Myths & Misconceptions of Workforce Analytics

zeroedin
— workforce analytics —

97% of respondents to Deloitte's Global Human Capital Trends, 2020, said that they need additional information on some aspect of their workforce.

Yet only 56% of the same companies said that their organizations had made moderate or significant progress on workforce and people analytics in the past 10 years.

More then half of companies (53%) reported that their leaders' interest in workforce information has increased in the past 18 months.

The importance and value of having a strong workforce analytics program is well known. It simplifies decision making and clarifies workforce strategies.

Metrics are calculated and presented in ways that can be easily understood by everyone, without any special training or knowledge. That is the gist of workforce analytics; it's the simplified analysis of complex data.

Yet, the reality is that there are organizations who struggle with getting a solid workforce analytics initiative off the ground, and for a variety of reasons.

Some are authentic, but many are misconceived, leaving behind a lot of locked up potential and time saving strategies. What follows are five of the most common myths and misconceptions that organizations encounter.

Myth #1

You have to switch HR platforms to get powerful workforce analytics.

Having an HR platform with a native, integrated workforce analytics module should undoubtedly yield good results. In fact, if the organization is in a startup phase or is actively looking to replace their HR system for other reasons, the wise thing would be to seek out vendors who have integrated analytics. However, if you are happy with your HR system, it doesn't mean you have to switch platforms just to get better workforce analytics. Reason being is that integration has become so mainstream and simple with the onset of cloud computing. Yet the myth that the HR platform, itself, will need to be switched is a big reason that stymies many HR managers and decision makers.

An entirely new system can introduce substantial cost to an organization. HR system vendors like to perpetrate this myth because it is good for their business. But think about it— particularly if your HR system is successfully running your payroll and benefits.

These two areas, alone, are the life blood of employee satisfaction. Is changing out a working HR system for one claiming to be "built on analytics from the ground up" worth the risk? And will it give you everything you crave to make better decisions about your workforce?

There are three categories of solutions: Pure-play people analytics, HR technology with embedded analytics, and network analytics. These can complement each other well to create a holistic picture of the workforce and their productivity and performance.

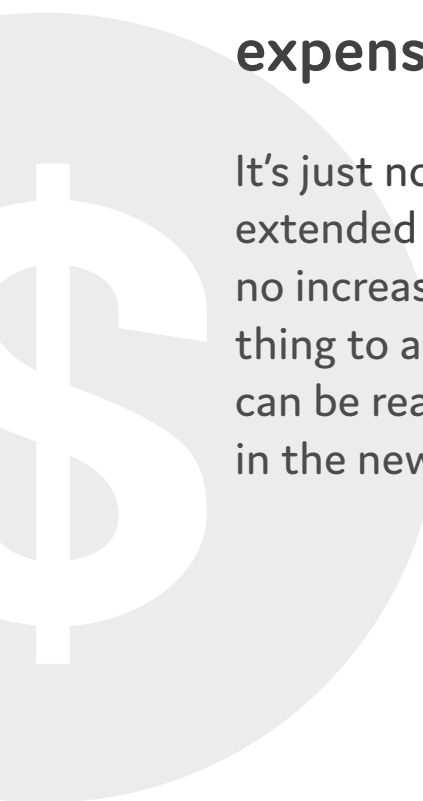(Source: Bersin by Deloitte, 2019)

The Truth

There are standalone vendors, like ZeroedIn, who have proven to successfully tap into existing HR systems and provide pure-play workforce analytics to their clients. It is accomplished by merging their services into both cloud-based and on-premise HR systems. ZeroedIn provides the analytics for not just one HR system, but any HR service you're running —including talent, learning and development, recruitment, payroll, time and attendance, and performance. This is something that an HR system with built-in analytics may not be able to do. Those HR systems are still limited to only analyzing and reporting data within their four walls.

Myth #2

Workforce analytics is an expensive investment.

Every new solution or major system upgrade will introduce some level of expense.

It's just not possible to have a new or extended service and expect little to no increase in cost. The important thing to assess first, is the benefit that can be realized from your investment in the new system. Is it really worth it?

As far as workforce analytics goes, the answer is a resounding yes.

Again, this myth is closely connected to the first myth. If the business is looking to completely switch over to an entirely new HR platform, it is going to be expensive. Furthermore, if your organization is going to leverage an enterprise business intelligence platform for workforce analytics, it will definitely get more expensive.

The Truth

An enterprise business intelligence system requires a lot of care and feeding from departments like IT, because the organization has to essentially build a workforce analytics model using these tools, collect and clean all the data, and then determine, compile, and visualize the most meaningful metrics. But there is relief! There exist niche workforce analytics systems, like ZeroedIn, that do all of this tedious work for you and don't require the upkeep and feeding from your technical team. Moreover, various vendors price their products and services differently. Business intelligence tools are really expensive, with license fees based on number of users and volume of data being managed. Niche vendors, like ZeroedIn, can be more flexible, able to tier their licenses on the number of full-time equivalent employees in your company.

Myth #3

Workforce analytics is a lengthy endeavor.

Workforce analytics is a broad reaching technology, accounting for every single employee and collecting data points on various facets of their work and relationship to the organization.

A lot of this workforce data is captured from many different systems, compiled and analyzed with the right kind of tools, and then presented to decision makers in a way they easily understand.

If that seems like a lot of work, it is. Yet this doesn't mean that it will take a long time to produce. Rather, it may all depend on how you approach the problem. If corporate IT has to build your workforce analytics with their enterprise business intelligence tool, then yes; it's very likely going to take a long time. And, does HR ever get the priority it deserves from IT?
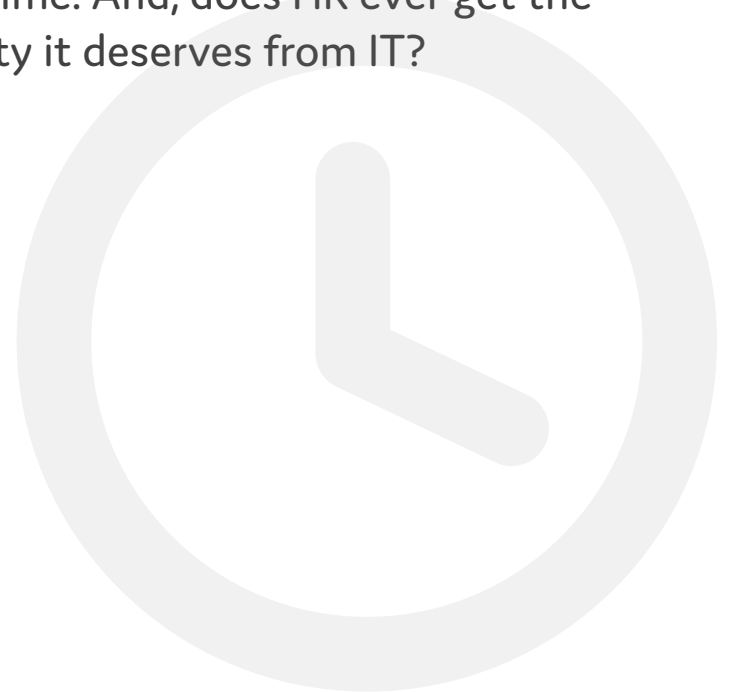
The Truth

There are a number of workforce analytics specialists, like ZeroedIn, who have turnkey systems with libraries of common metrics and system integration scripts ready to deploy. These prepackaged routines act as baseline elements, which can be implemented almost immediately, thus saving a lot of implementation time. This, in turn, literally turns months and years of development into only weeks of simple configuration.

Myth #4

Data quality will inhibit starting workforce analytics.

Many firms are under the impression that they don't have enough workable data, or that the data they do have is not clean enough to run a full-fledged workforce analytics system. Analytics is not about the amount of data, rather, it's about relevant data that gets analyzed, compared, and trended to produce findings. Waiting for the right amount of data—with a particular percentage of data quality—will only delay the intelligence you need as the quest for data quality becomes infinite.

Leaders rate their "data quality" as the greatest barrier to turning data into actionable insights.

(Source: i4cp, 2017)

The Truth

The most important thing is to get started. Workforce analytics is a journey, not a project. A key part of any analytics initiative is data transformation and cleansing, a process through which the quality of the data gets improved as it's fed into the system. Even data that is not complete is useful. Gaps in your data then get identified, reinforced, and closed as part of an evolutionary data transformation effort. ZeroedIn is an expert at the analytics process called ETL – Extract, Transform, and Load. By establishing rules that process and enforce data integrity, your data will quickly offer insights that you thought never existed.

Myth #5

Workforce analytics is limited to HR data.

It's clear that HR data is at the heart of workforce analytics. HR vendors with integrated analytics have created self-imposed limitations with their own solutions by restricting clients from integrating external data into their environment. Using an enterprise business intelligence tool—over a corporate data warehouse—debunks this myth by pulling in data from many different systems. However, it also introduces you quickly to the realities of high costs and lengthy implementations.

The Truth

Pure-play workforce analytics solutions, like ZeroedIn, act as a clearinghouse for data. These systems leverage an extensible data warehouse model behind the scenes, and are rarely restricted to only one particular type of data. Business and productivity data are regularly combined with HR data and that, in turn, is combined with internal workforce and external labor market data. Workforce analytics presents a holistic picture of the organization, not just a part of it. In fact, any data that needs to be quantified, studied and analyzed can be transformed and merged into actionable workforce intelligence to support decision making.

These myths have kept many organizations away from fully engaging in workforce analytics.

The consequence is an organization with partial awareness of workforce gaps and a limited view of potential. Why lose sight of answers to critical questions that can shape and optimize the workforce?

With these misnomers dispelled, the landscape is now clear of the noise and confusion which they once generated. Go forth and tackle your workforce analytics initiative with a solid understanding of what's possible and real.
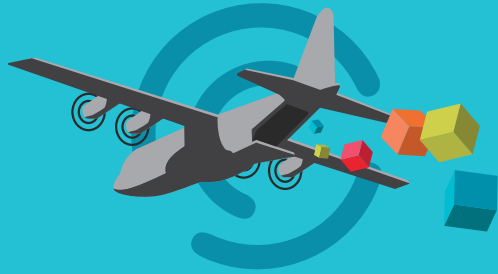
Deep inside your organization, a stockpile of powerful workforce data lies dormant. On the outer edges wait the people who need it. **Your mission is to get it to them.**

Equip your people to conquer everyday challenges with the workforce analytics solution that mobilizes data across the entire organization – ZeroedIn. We bring the power of workforce data to the front lines.
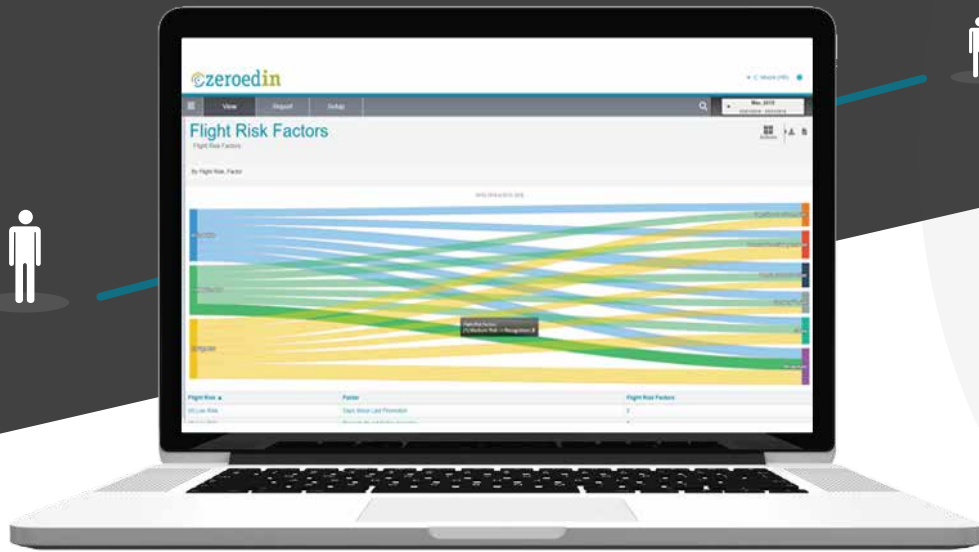
With ZeroedIn, everyone who needs insight gets it in a way that's useful to them.

For over 16 years, ZeroedIn has served clients with quality workforce analytics software and services. Contact us today to get started with a personalized consultation and demonstration.

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