



# **Lessons from the Quantified Organization:**

**Insights on Data Driven HR from  
Sierra-Cedar's 18<sup>th</sup> Annual HR Systems Survey**

November, 2015

# Sierra-Cedar Fast Facts

7

## Service & Solution Areas

- Application Services
- Business Intelligence
- Host & Managed Services
- Infrastructure Services
- Integration & Cloud Solutions
- Research
- Strategy
- Training

18

Years of Leading  
HR Systems Survey &  
Research

900+

Employees

5

## Industry Focus

- Commercial
- Healthcare
- Higher Education
- Public Sector
- Justice & Public Safety

2014 merger of

4 companies with

decades of experience

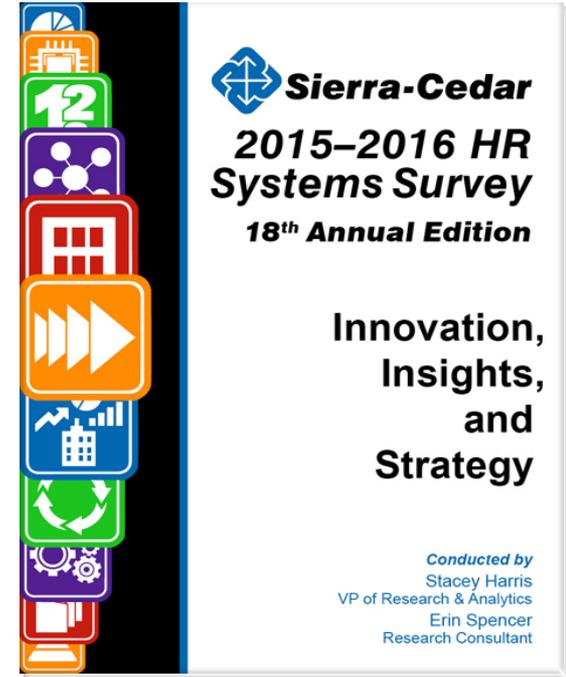
*Delivering **industry-focused client success** by providing consulting, technical, and managed services for the deployment, management and optimization of next-generation applications and technology.*

# Sierra-Cedar 2015–2016 HR Systems Survey

## *Over 18 years of continuous data gathering*

The most comprehensive survey in the industry:

- Strategy, Process, and Structure
- Administrative and Service Delivery Applications
- Workforce Management Applications
- Talent Management Applications
- BI/Analytics/Workforce Planning Applications
- Integration and Implementation
- Emerging Technologies and Innovations
- Vendor Landscape
- Workforce and HR Expenditures
- Workforce Usage and Perception



[Participate in the 19<sup>th</sup> Annual Survey](#)

[Download the 18<sup>th</sup> Annual White Paper](#)

# Sierra-Cedar 2015–2016 HR Systems Survey

Demographics: All Respondents

**1,204**

Organizations

21 Million Employees/Contingents



Large  
10,000+



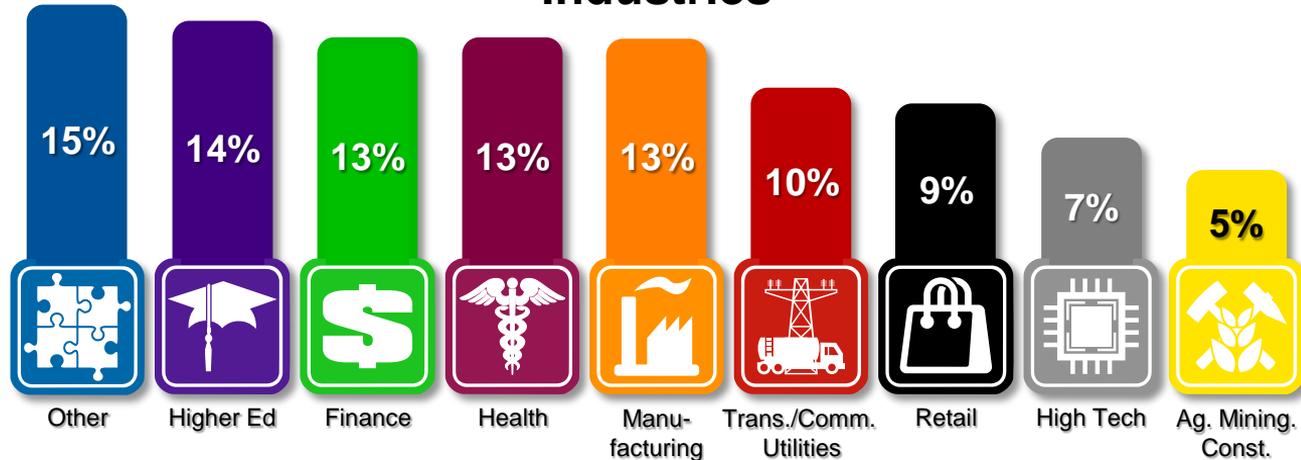
Medium  
2,500–10,000



Small  
<2,500



## Industries



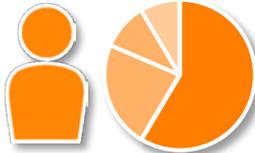
# “Quantified Self”

Term Coined by  
**Wired** editors Gary  
Wolf and Kevin Kelly  
in 2007



# Introducing the “Quantified Organization”

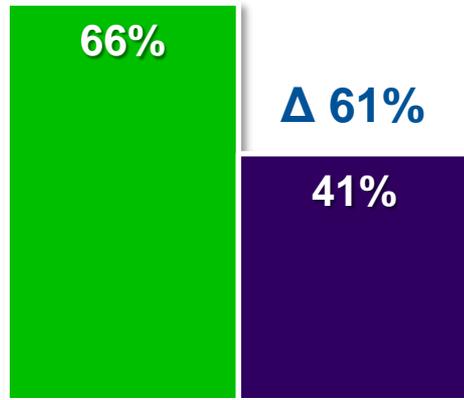
## An Environment of Data-driven Decision Making

	Data-Driven Organizations	Non-Data-Driven Organizations
<b>Better BI Process Maturity</b> 	BI Process Maturity <b>3.1</b> Effective	BI Process Maturity <b>2.3</b> Efficient
<b>More Manager Access to Analytics</b> 	Managers with BI access <b>73%</b>	Managers with BI access <b>36%</b>
<b>More Data Sources</b> 	BI Sources <b>4.9</b>	BI Sources <b>2.7</b>
<b>More Categories of Metrics</b> 	Metrics Categories Tracked <b>4.5</b>	Metrics Categories Tracked <b>2.9</b>

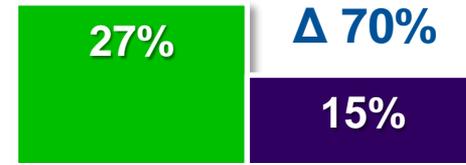
# Data-Driven Organizations Out Perform

Seen as Strategic Business Partners that Rock the Numbers

Strategic Value



Return on Equity



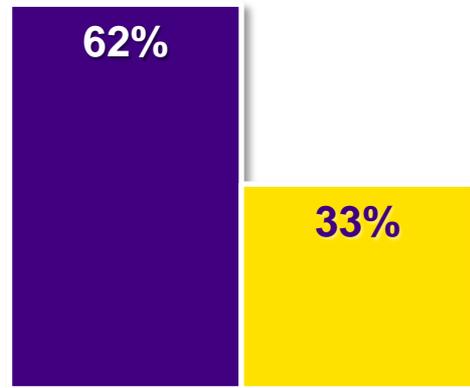
 Data-Driven Organization

 Non-Data-Driven Organization

# Lessons from Data-Driven Organizations

They Have Strategies and Culture that Support Performance

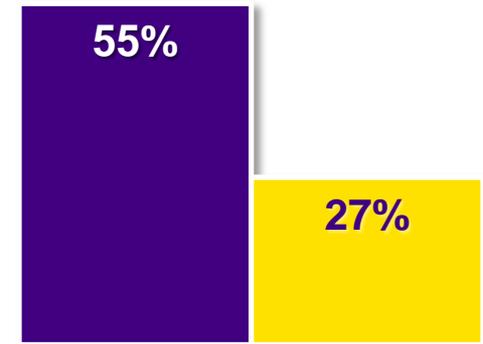
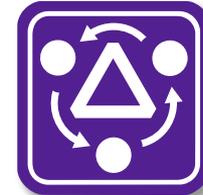
## Updated HR Systems Strategy



## Enterprise Integration Strategy



## Change Management Culture

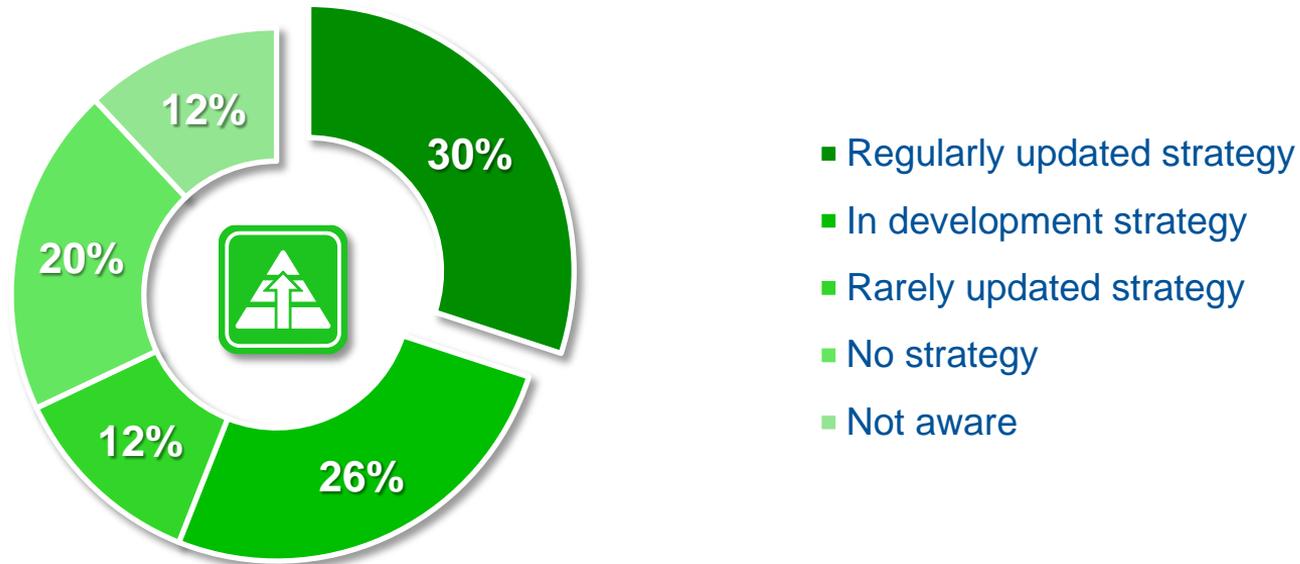


 Data-Driven Organization  Non-Data-Driven Organization

# Enterprise HR Systems Strategy

43% of Organizations Plan to Develop or Improve Strategies This Year

## Percentage of Organizations With a Current Enterprise HR Systems Strategy



# Creating Your Enterprise HR Systems Strategy

1. **Benchmark** – Current State & Benchmark of HR Technology Environment
2. **Blueprint** – Enterprise Business Goals and HR Strategies, Enterprise System Strategies
3. **Roadmap** – Action Plan, Communication Strategy, Measures and KPIs

**Diagnosis – Guiding Policy – Coherent Action**

# Sierra-Cedar HCM Application Blueprint

FIN

General Ledger, Purchasing, Budgeting, T&E

Vendor Management

VMS

Enterprise Data Privacy

Enterprise Content

Enterprise Social

Enterprise Workflow

- Administrative Excellence
- Service Delivery Excellence
- Workforce Management Excellence
- Talent Management Excellence
- Workforce Optimization Excellence

**66% Adoption**

**Service Delivery**  
HR Help Desk, Portal

**Self Service/Direct Access**  
Employee Self Service  
Manager Self Service

**93% Adoption**

**Administrative Apps**

Core HRMS, Roles/Competencies (Profile Mgt.), Payroll,  
Benefit Admin, Embedded HR Analytics,

**58% Adoption**

**Workforce Management**

Time & Labor, Absence & Leave Management, Labor  
Scheduling, Labor Budgeting, WFM Analytics,

**55% Adoption**

**Workforce Optimization**

Workforce Planning, Workforce Analytics,  
Predictive Analytics

**Talent Management**

Recruiting, Performance, Learning, Compensation,  
Succession, Career, Talent Profile,  
Onboarding, TM Analytics

**39% Adoption**

**Business Intelligence Foundation**

Reporting/Visualization and BI tools

CRM

Network Security

Mobile Access

SOA, API, ETL

PaaS

Integration Platform

Projects

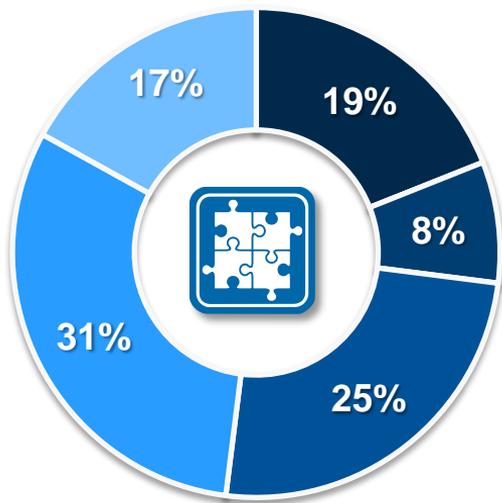
Backlog, Pipeline, Customer Satisfaction

Project Costing, Contracts, Grants

# Integration Strategies Matter

## Only 19% Regularly Update An Integration Strategy

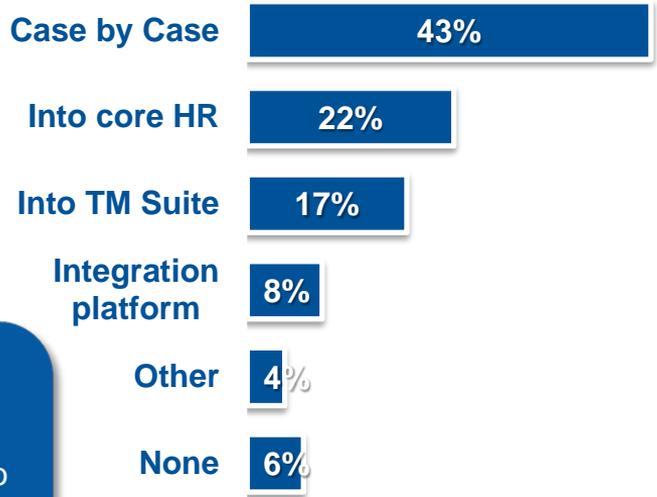
### Enterprise Integration Strategy?



- Yes, updated regularly
- Yes, rarely updated
- In development
- No Strategy
- Unknown

**45%**  
Spend between 10% to 25% of their HR Technology budgets on Integration

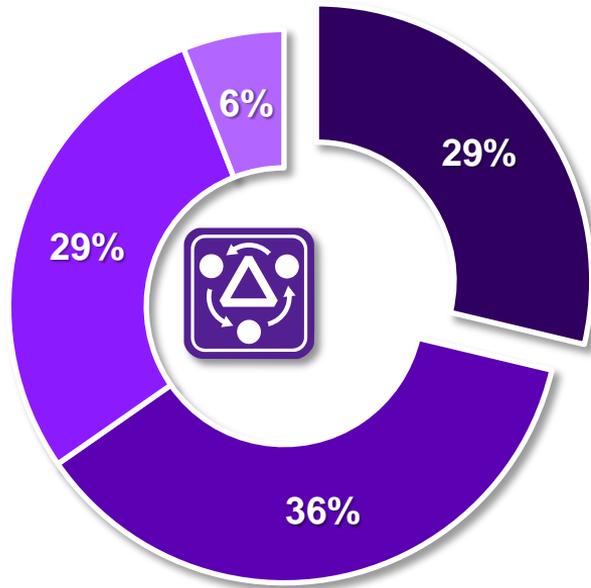
### Approach to Integrating HR Technology



# Change Management Practices

A Culture of Change Management Goes Hand in Hand with Modern HR

## Level of Change Management for HR Technology Projects



- Consistent culture of change management
- Key projects that meet criteria
- Sporadically, with no criteria
- Never

# Benefits of Change Management

2<sup>nd</sup> year in a row we've found Cost and Perception Outcomes!

## Total HR Technology Costs/Employee

Culture of CM

\$243

Key projects

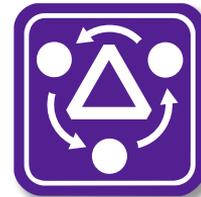
\$253

Sporadic

\$341

Never

\$572



2 X

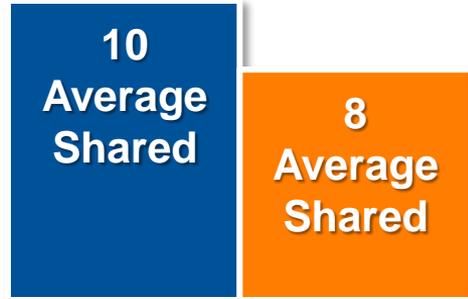
## Change Management Increases Strategic Value of HR

Organizations with a Culture of Change Management are twice as likely to be viewed by all levels of management as contributing strategic value, versus all organizations that never uses change management.

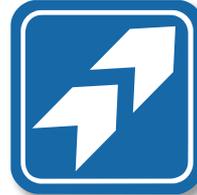
# Lessons from Data-Driven Organizations

They Get the Basics Right

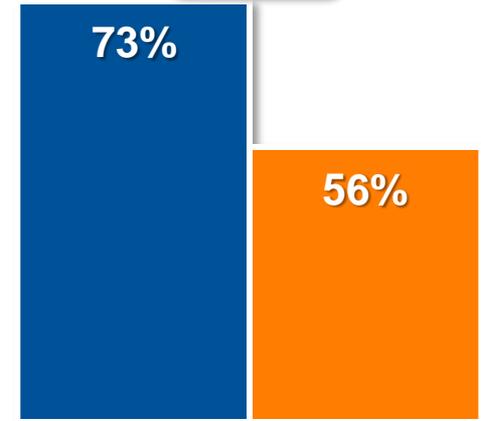
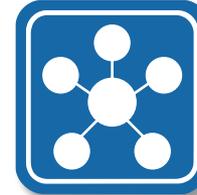
## Process Standardization



## Process Maturity



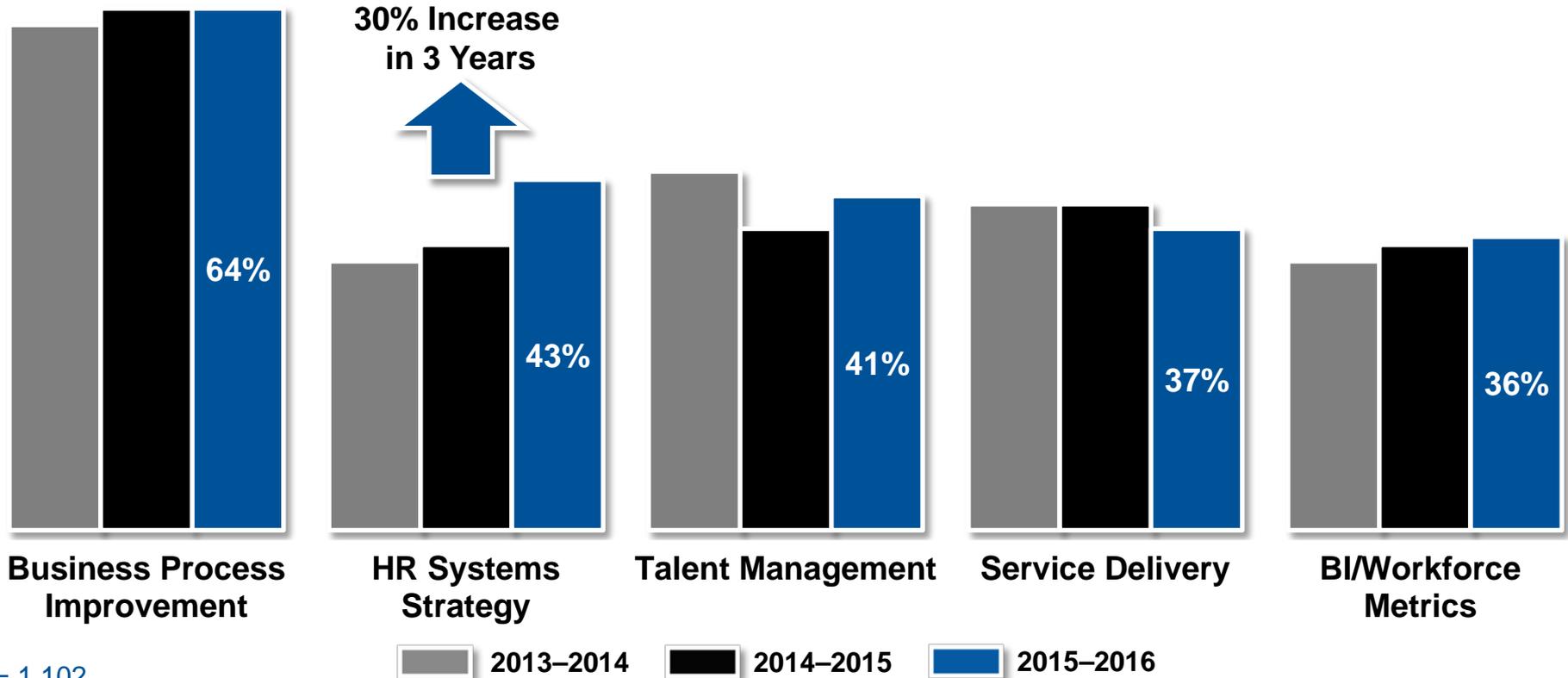
## Central Shared Services



 Data-Driven Organization  Non-Data-Driven Organization

# Top 5 HR Technology Initiatives

Where are you spending 25% of your Time and Resources?



# Process Maturity

## Quantified Organizations are More Likely to be Effective

- ❑ Transformational: unique, stands above others, contributes to competitive advantage financially and as an employer of choice.

Quantified

- ❑ Effective: aligned, best practice, strategically-focused

Non-QO

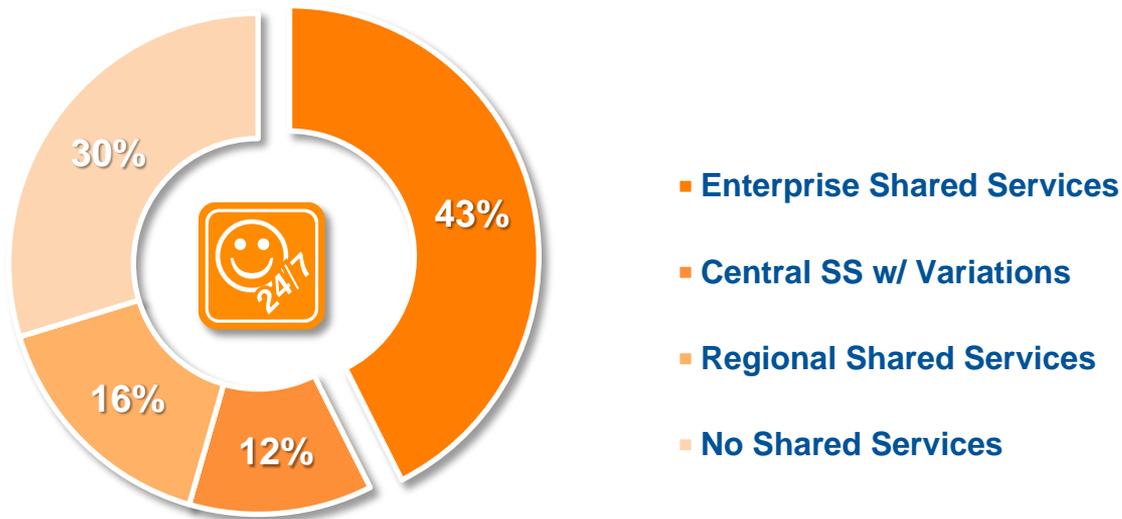
- ❑ Efficient: transaction-focused

- ❑ Manual: paper-based, non-standardized, ad hoc, or reactive

# Shared Services = Efficient HR Environments

Enterprise Wide Shared Services Increase Process Standardization

## HR Shared Service Models

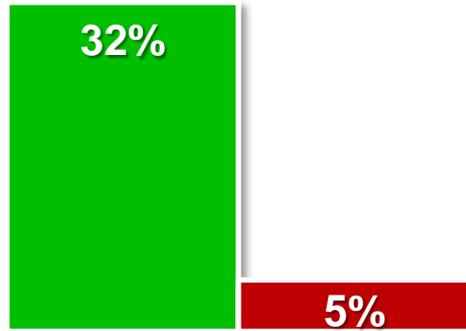


n = 491

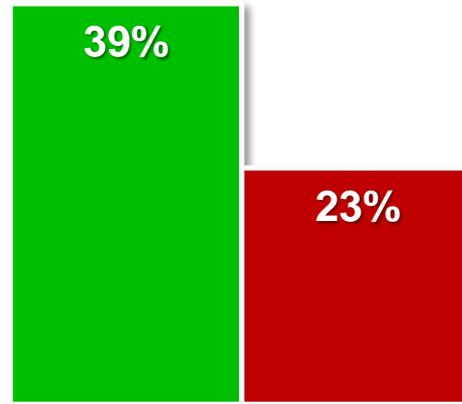
# Lessons From Data-Driven Organizations

They Innovate with HR Technologies

Top adopters of  
WFM, TM, and BI



Higher level of  
mobile adoption



Early adopters of  
wearable tech



 Data-Driven Organization  Non-Data-Driven Organization

# Top Adopters of WFM, TM, and BI

## Achieve Higher Outcome Scores and Higher ROE



### Top Workforce Management, Talent Management, and Business Intelligence Adopters:

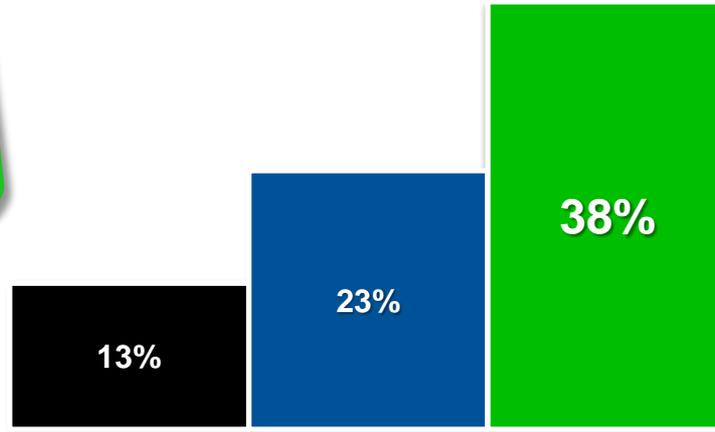
- Have across the board higher HR, talent and business outcome scores
- Achieve higher Return on Equity (31% higher than lower adopters)

**They integrate WFM, TM, and HRMS data three times as often as lower adopters.**

# Mobile-enabled HR Process Adoption

Mobile Adoption Grew 90% From Last Year, 65% Growth Planned Next Year

Average workforce adoption across all mobile-enabled processes



■ Last Year   ■ Today   ■ In 12 Months

# Emerging Technologies

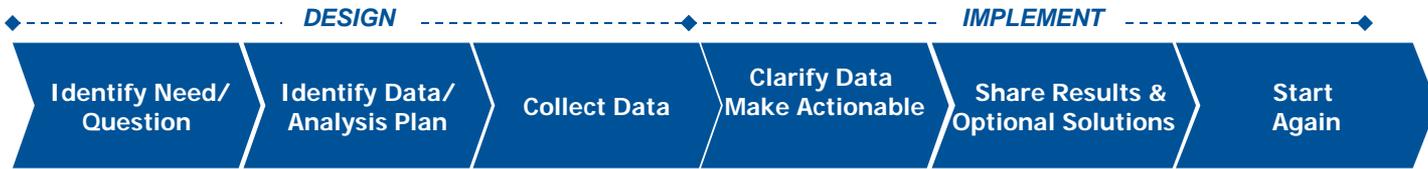
## Align with HR Strategies and Desired Business Outcomes

	Workforce Using		
	Today	Evaluating	No Plans
Employee Feedback Applications	65%	11%	24%
Wearable Technology	10%	6%	84%
Rewards & Recognition Applications	25%	15%	60%
Talent Acquisition Tools	42%	29%	29%



**55%** of organizations using wearables believe the benefit will be “increased workforce productivity.”

# Moving to a Data Driven HR Function

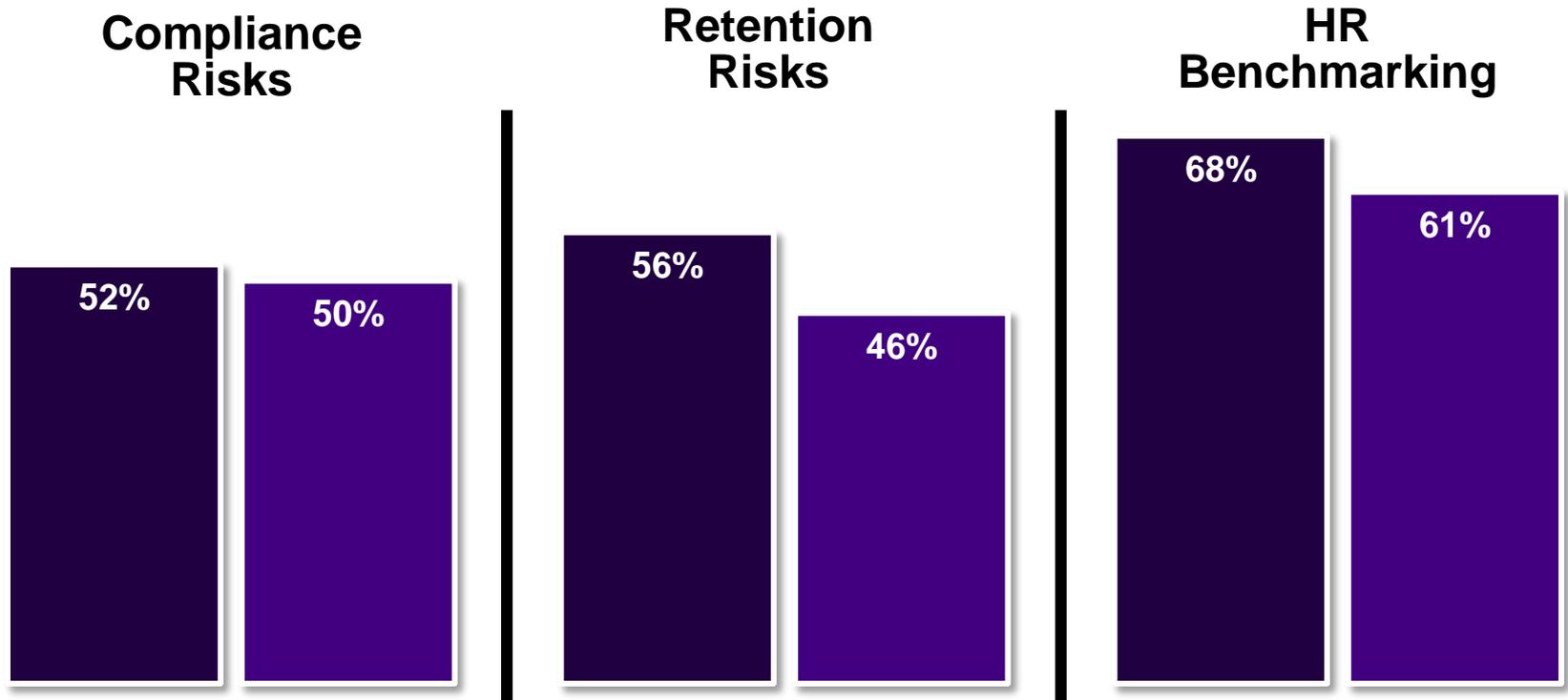


## Sample Approach:

1. Centralize reporting, analysis, and benchmarking (*BI Process Maturity*)
2. Build reports and conduct studies (*BI Process Maturity*)
3. Build a culture of analytics (*Manager Access to Data*)
4. Provide onsite consulting and client engagements (*Measure HR*)
5. Workforce and HR planning (*HR and Business Measurement*)
6. Business planning (*More Data Sources*)

**Over time the focus needs to shift!**

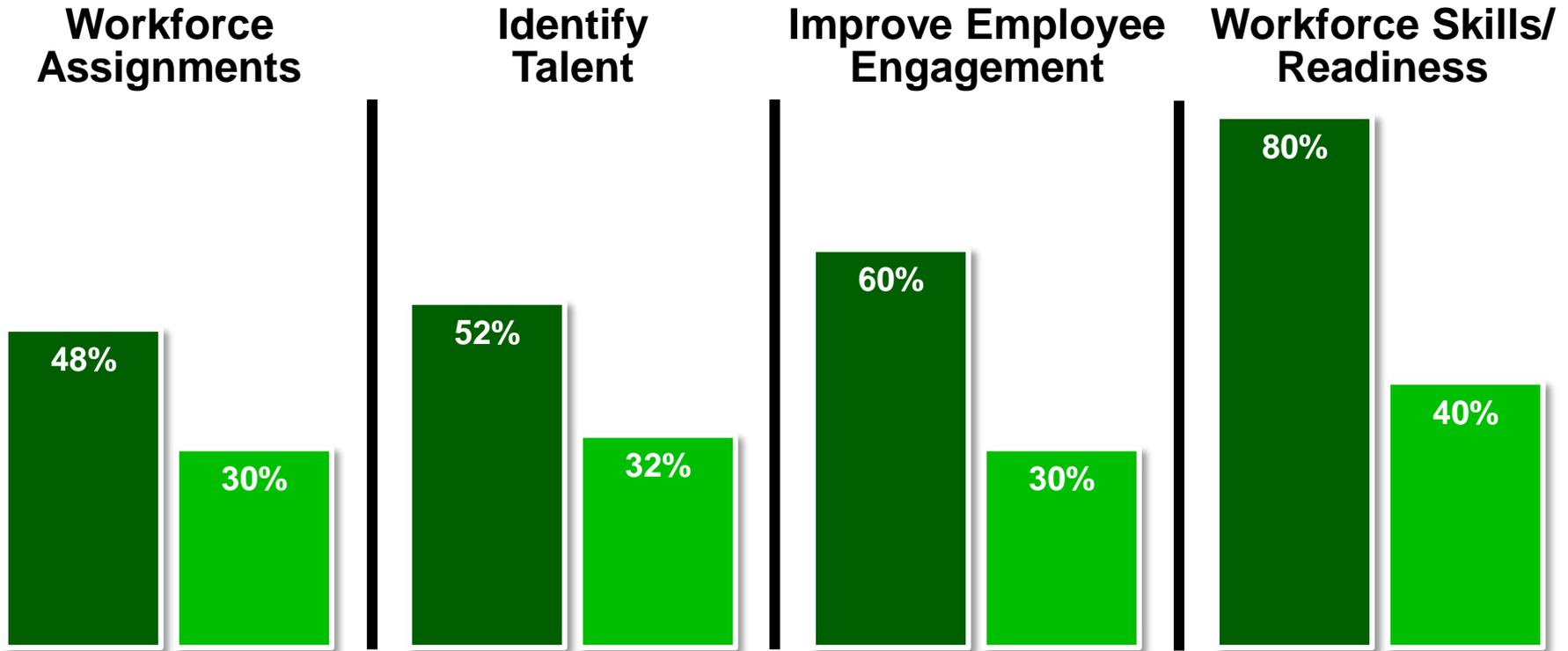
# Most Use HR Analytics to Look BACKWARDS



\* What are you using HR BI/Analytics Solutions to accomplish for your organization?

 Data-Driven Organization  Non-Data-Driven Organization

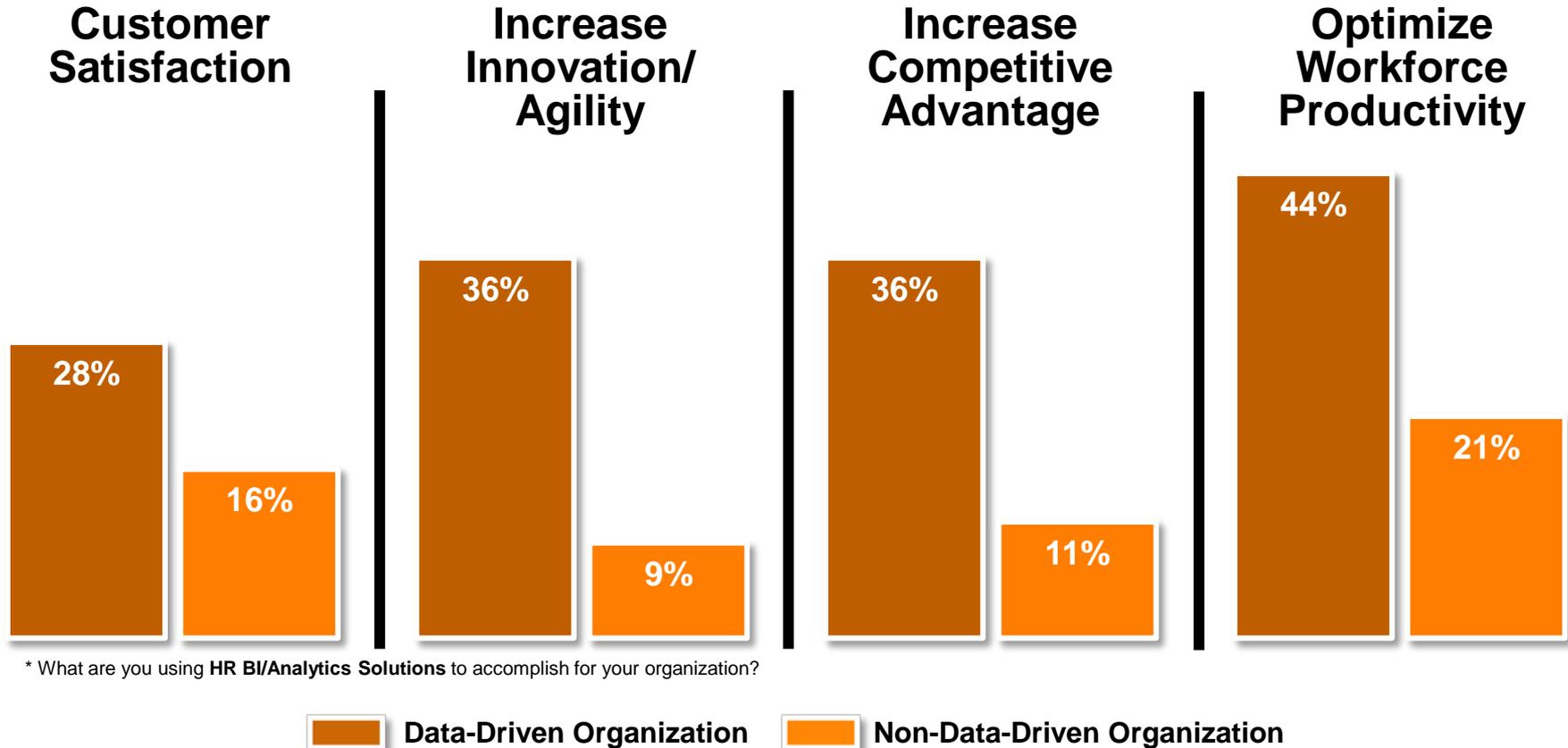
# Some Use HR Analytics to Look FORWARD



\* What are you using HR BI/Analytics Solutions to accomplish for your organization?

 Data-Driven Organization  Non-Data-Driven Organization

# Quantified Orgs, Also Focus on the BUSINESS



\* What are you using HR BI/Analytics Solutions to accomplish for your organization?

# Outcomes and Impact

## Top Performers, Talent-Driven, and Data-Driven Organizations

### Top Performers



#### Top quartiles

- Revenue/Employee
- Profit/Employee
- OIG (1 year)
- Return on Equity

### Talent Driven



- Mature Career Planning
- Succession Mgmt
- Metric Outcomes
  - Employee engagement
  - Workforce readiness
  - Retention risks
  - Top talent

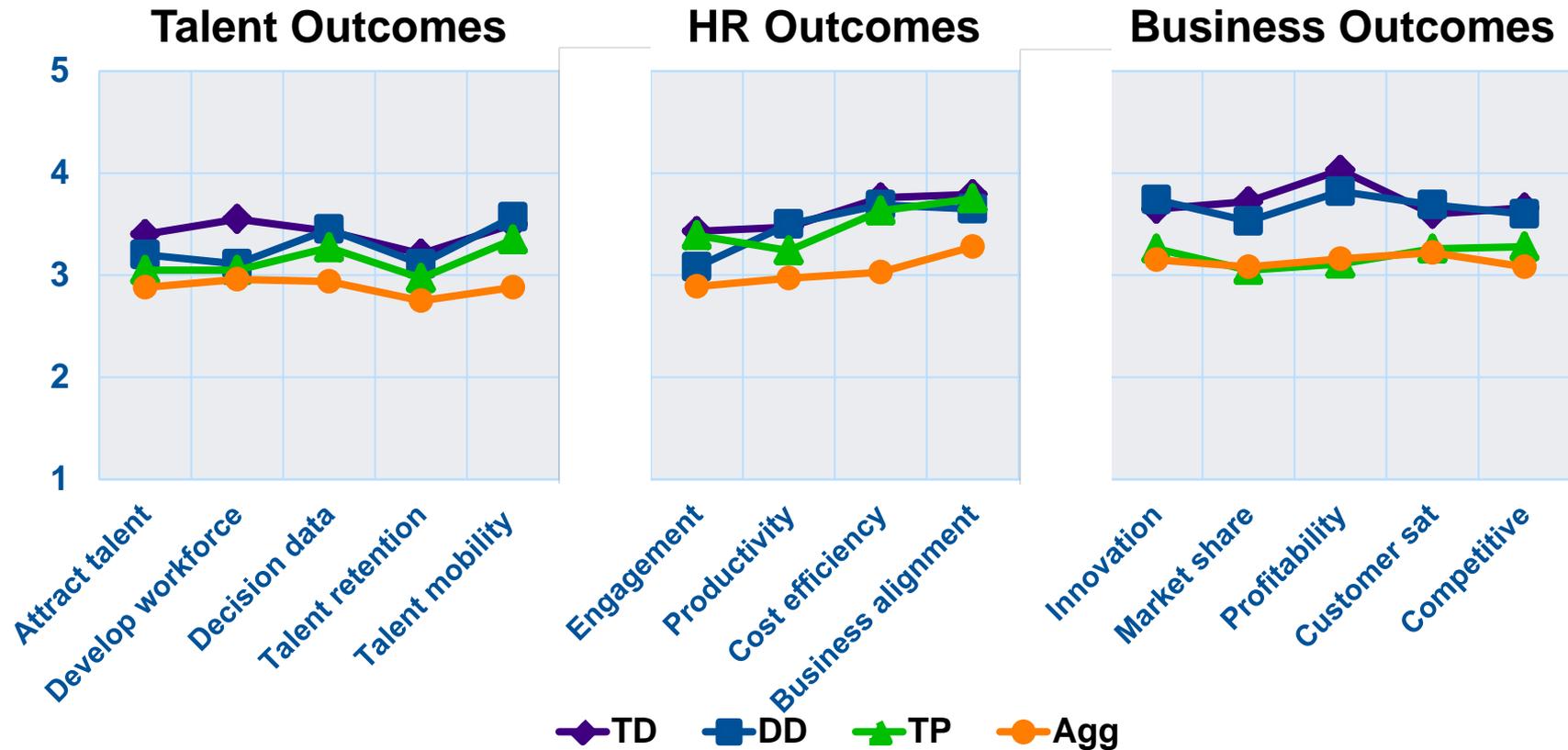
### Data Driven



- Mature Workforce Analytics
- 3+ Metrics
- 20%+ Managers/BI
- 3+ Data Sources

# Achieving Outcomes Requires Focus

Talent- and Data-Driven Organizations Achieve Best Outcomes



# Additional Reading and Events:

## **PEHRS Network: The Quantified Organization: Secrets to Building a Data Driven HR Function Panel**

<https://attendee.gotowebinar.com/recording/8611214906673636098>

- Karen Caveney, Dell
- Chris Salles, Guitar Center
- Terri Lucas, Nationwide Children's Hospital

## **The Quantified Organization: Creating Data Driven HR**

[http://www.sierra-cedar.com/wp-content/uploads/sites/12/2014/12/Sierra-Cedar\\_2014-2015\\_QuantOrg\\_WhitePaper.pdf](http://www.sierra-cedar.com/wp-content/uploads/sites/12/2014/12/Sierra-Cedar_2014-2015_QuantOrg_WhitePaper.pdf)

## **The Quantified Organization: What Do We Really Mean by Creating Data-Driven HR?**

<http://www.sierra-cedar.com/2014/12/the-quantified-organization-data-driven-hr/>

# Stacey Harris

## Vice President Research and Analytics



### Background:

- Oversee the Annual HR Systems Survey and its safekeeping for the Industry
- HR and OE Practitioner for over 10 years in **finance, retail, and franchised businesses.**
- Director of Research at Bersin & Associates, Launched the HR research practice
- VP of Research for Brandon Hall Group
- **Major Research and Papers:** *The High Impact HR Organization, The HR Framework, Employee Engagement: A Changing Marketplace, and Relationship Centered Learning*
- Feel free to connect at: [www.linkedin.com/in/staceyharris/](http://www.linkedin.com/in/staceyharris/)
- @StaceyHarrisHR

### Passions:

Park Walking Research  
Family Gaming Laughter Sons/Boys Parents  
Good Food Budding Artist North Carolina Husband  
Raleigh Art Air Force Water Painting  
Music