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# Brilliant decisions start with benefits insights

Three steps to turn people data  
into business impact



A more human resource.™

# Data is not enough

People are the most important part of your organization. Understanding what they do, how they do it, and even why they do it, provides invaluable insights for optimizing your benefits engagement, strategy, and investment.

And as a business leader, in many ways you've never had it so good. There's more people data available than ever before. What's more, you've got the opportunity to put it to work through data-driven initiatives like changes to workforce demographics, employee retention, or benefits allocations. And most important, you have a chance to fuel business decision-making with smart workforce insights.

But until now, you haven't taken full advantage of that opportunity.

You've learned (often the hard way) that just having data is not enough.



You've got lots of it, but it's stuck in separate systems, and you can't see the bigger picture. **You're in the dark. But you don't have to be...**

Once you've learned how to turn your people data into real business value, you'll create more visibility within your business, and your leaders will see that the rewards of benefits analytics are worth the effort. It's time to take the opportunity to prove the value of data-driven benefits. No more darkness. Otherwise, the only journey ahead is into some challenging pitfalls. We've identified five of those, and we're going to show you how to avoid them.

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# Five pitfalls to avoid with benefits data and analytics

- Fragmentation
- Lack of context
- Primitive predictions
- Mismatched business objectives
- No follow-through

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# Fragmentation

Your benefits data is in pieces

## The cause

Your data is in separate, siloed systems, and there's no easy way to stitch it all together. When the explosion in workforce data (of unprecedented volume, variety and velocity) promised you cool, confident decision-making, the reality turned out to be closer to chaos.

Now, you have so much data, you don't know what to do with it. You may not have the in-house skills or tools to enable you to figure it out – and investing the time and resources to get them isn't a top priority for your organization.

## The symptoms

You're getting snapshots of your people instead of the big picture. When you look for insights, you only see individual parts of the story, and can't make relevant systems speak to one another. You might not even know where to look for data you need for specific tasks and processes.



### A scenario: Reduce Employee Turnover

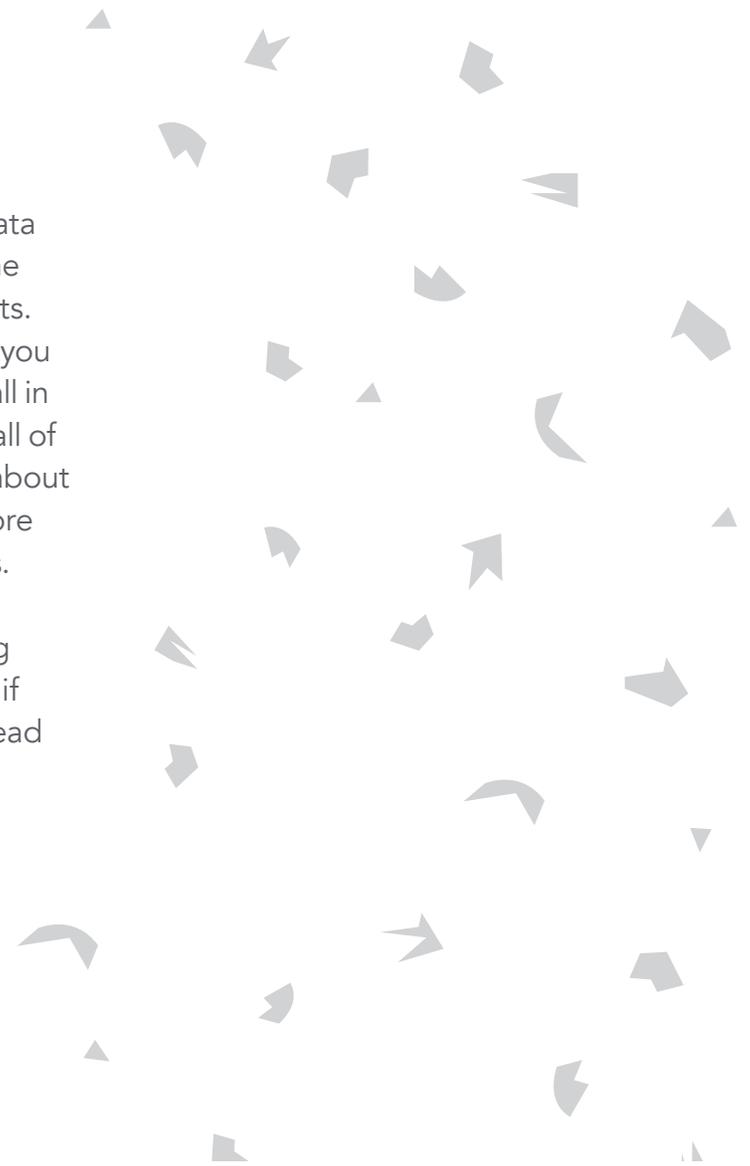
Your organization has been experiencing reductions in productivity. It's a huge concern, with your data showing that productivity is dropping across the board.

What you don't know is that there's a problem with your leave management processes. Your employees aren't feeling connected to your organization, which is critical to productivity and retention.

By just looking at the number of fulfilled orders and serviced clients, you can see there is an issue, but you cannot determine its cause.

What you cannot see, is other critical data points around leave administration, time lost as a result of leaves and payroll costs. All of that data has been captured, but you can't put it together to get insight. It's all in different systems. If you had access to all of this data in one place, you could think about working with managers to schedule more frequent leave management processes.

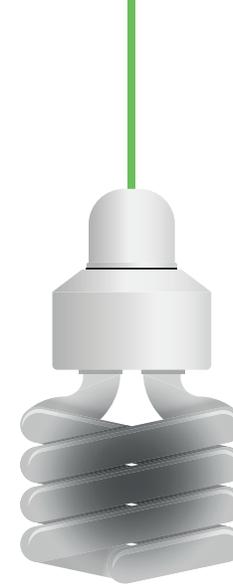
As someone responsible for improving productivity, you're in serious trouble if you can't see these trends and get ahead of them.



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# Lack of context

You don't have anything to measure against



## The cause

A little data can be a dangerous thing. It can lead you to act without possession of all the facts. And here's the thing: Even if you take full advantage of your internal data, you don't have the whole story. You lack the external context that tells you how your organization compares to others like it.

## The symptoms

You can present data to your colleagues, but you can't explain where your organization's performance stands competitively. You've identified a few patterns and trends, but you can't see how they came about, or how they're contributing to wider problems. You don't know if your issues are broad and industry-wide, specific to geographical regions, or unique to your organization. For all you know, your issues could be anomalies.

## A scenario

You're a **retailer** with stores in many states. You have just launched a new benefits plan, but your data shows low adoption of the plan. So you decide to launch a different plan to drive engagement.

But you were acting on partial data. You didn't have any benchmarking context. If you had, you'd have seen that your time to enroll is much larger than the industry benchmark, and that employees did not have enough time allotted for them to complete the enrollment process. You might have launched a mobile app with streamlined enrollment. Without this insight, the benefits adoption rate will continue to be low.



# Primitive predictions

How benefits became a guessing game

## The cause

Even when you supplement your reporting capability with benchmark data, you're still missing the 'why.' This is crucial to changing behaviors in the long-term.

## The symptoms

Your workforce is evolving and you know you need to act fast. Not just to reduce turnover and fill the gaps that appear when your baby boomer workers retire, but to also deal with an increase in contract work and job-switching in 'the gig economy.' Why? Because younger age groups are quickly becoming larger parts of your workforce. But you're unable to devise a benefits strategy with confidence. You can't simply determine which parts of the populations are engaging and how they are and why.

## A scenario

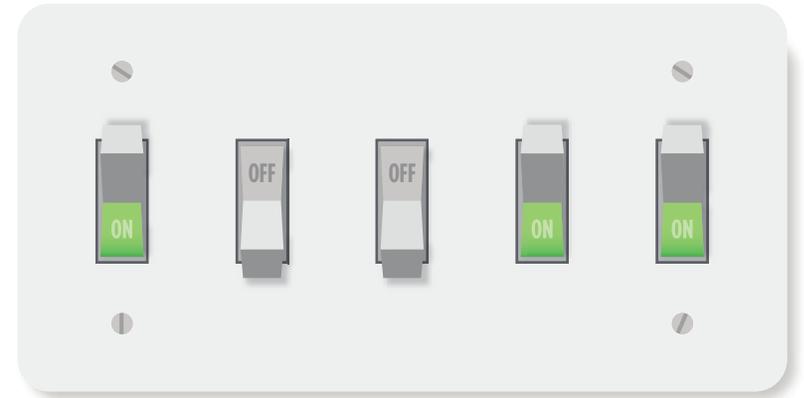
The **financial services** organization you work for is planning a radical overhaul of its benefit offering. It wants you to come up with a strategy that will drive adoption in the new plans, while simultaneously reduce the cost of administration. You plan to leverage the previous marketing and strategy plan for the new roll out.

What you don't know is that is that your companies reliance on call center access is very high, and that your employees are visiting the enrollment website much more than the industry standard. They haven't had significant promotions or pay raises in a couple of years, and they feel the company lacks direction. The warning signs are all there (engagement surveys, performance scores, pay data) and together they signal imminent flight risks.

But your reports don't flag these things, so your plan to improve adoption and reduce costs of administration are unlikely to succeed. When the new benefits are launched, adoption will continue to suffer and costs will remain high.

# Mismatched business objectives

When HR and strategy don't collaborate



## The cause

HR analytics is about using your people data to make better decisions. But you risk undermining all your efforts if you're not concentrating on the right ones. When business leaders don't collaborate closely with their colleagues in the organization – the people on the ground as well as senior leadership – they're unable to prioritize urgent business objectives and align HR programs with them.

## The symptoms

Your projects are rolled out quickly, without the collaboration and planning necessary to give them meaningful direction – or to even nail down exactly what the desired outcome will be, and what KPIs will indicate success. When your HR department can't show how its work directly contributes to growth, or boosts the bottom line, you're viewed as separate from key strategic business disciplines, and the vicious cycle continues.

## A scenario

You work for an **energy company**, planning to open a new plant overseas in China, but you don't know about this yet because you haven't been involved in the right meetings, where this kind of growth is planned. Ideally you would have already begun a recruitment program in the destination country, and organized language and business etiquette training courses for the leaders sent over to manage new recruits. But you didn't know about this important project. So you've already spent the majority of your budget on hiring programs in your existing locations.



# No follow-through

Lots of data, no action

## The cause

Often, the hardest stage of the journey from data to value is at the end, when insight needs to be translated into action. That can happen for a few reasons. For example, when the wrong analytics programs are chosen and useless outputs get generated, leaving you without any actionable insights.

Or when your organization's broader business objectives are incorrectly identified and communicated from the start, so you build your analytics on the wrong foundations. And sometimes, despite the right insights, you can fail because the right people simply can't be convinced to act.

## The symptoms

Descriptive data overload: Your data was made into useful outputs like spreadsheets, dashboards and presentations, but then those were abandoned. People who could have worked on the identified patterns didn't understand them, or didn't trust themselves to take on the responsibility. They may have never even seen them.

## A scenario

You're a **manufacturing firm** with multiple offices and a varied workforce. You want to design new benefits and wellness programs. You've invested in data-driven HR, and now you get swathes of data pouring in every day.

It shows you productivity rates, turnover rates, overtime and absence rates, engagement scores, and more. But it doesn't tell you anything about the relationship between them.

With advanced analytics, the data could have told you new things about your workforce. It could have revealed a relationship between overtime and engagement, or productivity and learning programs. Instead, you just kept receiving reports every month, with more information every time, but no insights. Without that follow-through, your HR policies and investments never evolved.

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# From people data to business impact

Now that we've covered the five pitfalls of HR data analytics, let's look at a model for success: A three-step process that turns information into impact.

# 1

## Get the right data

The need for clean data without gaps that feeds analytics programs isn't new – it's table stakes really. What's harder is making sure you have all of the right, relevant information you need, without wasting your time on the rest.

If you're not sure where you should be directing your attention, or you're trying to tie HR strategy to multiple business goals, it can be hard to know where to start with data collection. **You need an analytics tool that's going to collect enough data to provide broad, useful insights** – even if you don't know precisely how you'll use them in the short term.

# 2

## Understand what it really means

Truly effective HR analytics isn't just about combining lots of different kinds of data. Even when you add benchmark data to see your performance in context, you're only part way there.

**It's absolutely critical to look at your workforce insights in the context of your business goals.** From start to finish, HR analytics should be closely aligned with the organization to establish the right metrics to shoot for, and to show how workforce related decisions could impact your operational and financial objectives.

# 3

## Put it to work

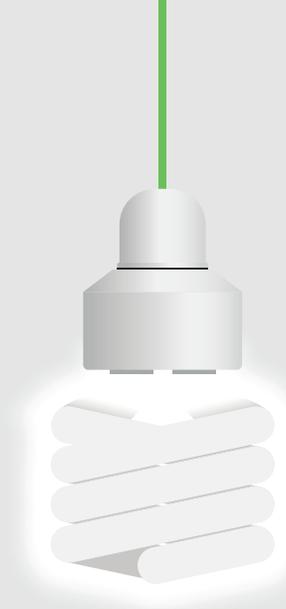
Then it's time to get serious about making a difference with your data, using it effectively to **optimize processes, clarify policies, and improve in new ways.** Without this, people data is just zeros and ones. Get it right, and it's the living proof that organizations cannot afford to make strategic decisions without the help of a data-driven HR team.

# This is what we do

Equipped with the right data, technology and expertise, HR teams are setting out to prove they're an indisputable and indispensable leadership force.

We're ADP®, and we're data obsessed. We help organizations put their data to work for them, turning workforce insights into positive change for their people and the whole organization.

If you'd like to learn what's possible, [contact your ADP HCM Specialist](#) – we love to talk to smart leaders about how we can help you achieve your business goals with meaningful data.



## Did you know, ADP

- Leverages insights from 30 million people records\*
- Provides comprehensive HCM capabilities in more than 100 countries
- Offers employee support in 29 languages.
- Serves 70% of Fortune 500 companies
- Pays 1 in 6 workers in the U.S.

\*U.S. data. Benefits data accounts for 20 million. All records are aggregated and anonymized.

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