
Welcome!

The webinar will begin shortly...

While you wait, here are some fast facts about HR outsourcing:

3:00

minutes

until the webinar starts

Companies that outsource HR to a professional employer organization (PEO) are **50% less likely** to go out of business.



"Professional Employer Organizations: Keeping Turnover Low & Survival High" McBassi & Company, 2014

The webinar will begin shortly...

2:00

minutes

until the webinar starts

While you wait, here are some fast facts about HR outsourcing:

Companies that use a professional employer organization (PEO) are **28% more satisfied** with their available selection of employee benefits.



"PEOs: Taking Outsourcing a Step Beyond Pays off for Small & Mid-Sized Companies" Aberdeen Group, 2011

The webinar will begin shortly...

While you wait, here are some fast facts about HR outsourcing:

1:00

minute

until the webinar starts

G&A Partners has an average Net Promoter Score (NPS) that is **35x higher** than that of the HR outsourcing industry.



"NPS Benchmarks for B2B" Inavero, 2014



⊕ Essential Workforce Analytics
Every Organization Should Know
Tiffany Guthrie, G&A Partners

Before we begin...

- ⊕ **We are recording this webinar.** The on-demand recording will be available on our website by the end of the week.
- ⊕ This webinar has been pre-certified by the Human Resources Certification Institute (HRCI) for one hour of HR general recertification credit.
- ⊕ If at any time during the presentation you have a question you'd like us to answer, please send it to us using the "Questions" tab in the GoToWebinar menu bar.

About G&A Partners

G&A Partners delivers **world-class HR solutions** that help build thriving businesses and make a difference in the lives of the clients and employees we serve.

G&A Partners has a local presence in the following markets:



Agenda

- + What HR/HCM metrics employers should consider measuring at each stage in the employee lifecycle
- + Practical situations that go above and beyond the simple data to help you make informed decisions
- + The biggest areas of opportunity where employers can use workforce analytics to drive performance
- + Actionable steps employers can take to become more data-driven and analytics-focused



Tiffany Guthrie
Sr. HR Advisor
G&A Partners

Data powers decisions

- ⊕ “The goal is to turn data into information and information into insight”
 - Carly Fiorina, former CEO of Hewlett Packard
 - “Information: the currency of the digital age” speech
- ⊕ Data alone isn’t enough; it should inform decisions to help spur progression or improvement

Managing your people assets

- ➕ HR analytics uses data to analyze people problems and answer questions about your company
- ➕ What can “people data” tell you about your company?



POLL QUESTION

What and how can you measure?

+ Staffing/Talent

+ Recruiting

+ How long does it take to fill open positions?

- + Track the days from when the position is opened to when the offer is formally accepted

+ How much does it cost to fill open positions?

- + Include advertising dollars, recruiting staff, agencies—this can be drilled down by department or types of position

+ Applications

- + How many applications were received per open position?
- + From where were the applications received?

What and how can you measure?

+ Performance

+ Productivity

- + Track data such as output/units to determine average, highs and lows by dept or employee (need a baseline to get started)
- + Total output and total input
- + Ex: Company has average of 23 repairs a week with its seven employees. Each employee does 3.29 repairs weekly. This is the baseline to measure employees against

+ Employee engagement

- + Surveys
- + Exit interviews
- + Focus groups

What and how can you measure?

+ Compensation

+ Benefits cost per employee

- + Add up total benefit costs including health and other fringe benefits
- + Divide the total benefit costs by the employee's annual salary
 - + Ex: Employee salary = \$50,000. Benefit costs = \$8,500
 - + $8,500/50,000 = 1.7 = 1.7\%$ of salary

+ Benefit participation

- + Divide the number of participating employees by the total number of eligible employees
 - + Ex: The company has 800 eligible employees, 576 are participating in the benefit program
 - + $576/800 = .72 = 72\%$ of population

What and how can you measure?

+ Wages

- + Reports built by position, geography, and job family
- + Salary bands and ranges
- + Market salary surveys



What and how can you measure?

+ Turnover

+ Rates

- + Divide the total number of separations (all types) by the average number of employees in a given period (to get this number, take the total number of employees on the first and last day of the period and divide by two to find the average). Finally, multiply by 100 for the percentage
- + Ex: 135 employees on 1/1/19, 133 employees on 12/31/19; $133 + 135 = 268 / 2 = 134$ (average number of employees). In 2019, 23 employees left the company. Now, $23 / 134 = 0.17 \times 100 = 17\%$ turnover

What and how can you measure?

+ Turnover

+ Cost is calculated by including:

- + Open position coverage cost + cost to fill position + onboarding and orientation costs + productivity ramp-up cost = sum
- + Multiply the sum by the number of employees that left that position in a given year

What and how can you measure?

- + Turnover costs—time is money
 - + Determine the time it took a departing employee to complete tasks (weeks x hours per week x hourly pay)
 - + Also add how much it cost co-workers and managers/supervisors to assist with task(s).
 - + Vacancy costs = the amount of time it will require others to cover departing employees' tasks
 - + Orientation and training costs = the amount of time for those doing the training and for the new employee(s) being trained
 - + Administrative and hiring costs = the amount of time for separation processing, changes in scheduling, advertising open positions, recruiting costs (background checks, resume screening, etc.), interviewing candidates for managers, onboarding processing

Turnover costs continued

- + Some studies show that for a salaried employee, turnover costs the company the approximate equivalent of six to nine months' salary
 - + For someone making \$40,000 annually, that's \$20,000-\$30,000 in recruiting and training expenses
- + It's really a unique calculation for each employer due to intangibles (certifications required, regulatory needs, complexity of duties, etc.)

Uncalculated turnover costs

- + Harder to quantify but still costing your company money
 - + Cultural – when someone leaves, people start asking why
 - + Engagement – turnover can cause others to feel less engaged
 - + Lost productivity – it takes quite while for a new employee to reach the productivity level of an existing employee

What and how can you measure?

+ Compliance

- + Complaints filed and time to investigate
- + Legal requirements or preparation
 - + EEO reports – race, gender, job families
 - + Equal Pay Acts – identify pay gaps by gender or race
 - + Diversity
- + Track and collect employee stats



What and how can you measure?

+ Safety

- + Accidents and/or near misses
 - + Number for employee population
 - + Frequency
 - + Types (slip and falls, vehicle accidents, repetitive use, etc.)
 - + Reason (negligence, third-party caused, not following procedures)



Case study

The Finance department has been struggling to meet month-end close responsibilities, often requiring overtime and extended days on the job for many employees. When you ask why, the managers tell you they can't get their open positions filled so there are not enough people to cover the amount of work.

What data might you mine to make some informed decisions about how to solve this people problem?

What to study?

- + Open positions
- + Time to fill those positions
- + Wages in the market/area for those positions
- + Productivity of the department now vs. when all positions are filled

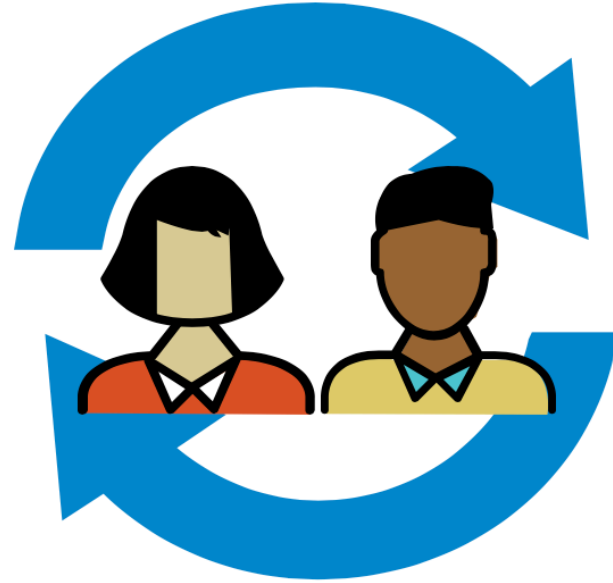
Case study

It has been particularly difficult to keep mechanics in the shop. They seem to start off so strong but fade away and leave in less than a year. It's costing quite a bit in delayed repairs.

What data might you mine to make some informed decisions about how to solve this people problem?

What to study?

- + Turnover rates
- + Retention rates
- + Training costs and completion rates
- + Exit interviews
- + Wage analysis
- + Employee engagement survey



Case study

Recent automation should help your manufacturing processes speed up. It's time to set a new target for your departments and employees to hit. The old targets should be retired, and a new company goal should be set. In turn, this should inform a new company profit goal.

What data might you mine to make some informed decisions about how to solve this people problem?

What to study?

- ⊕ Current productivity rates
- ⊕ ROI cost for automation
- ⊕ Employee engagement survey
- ⊕ Skills assessments

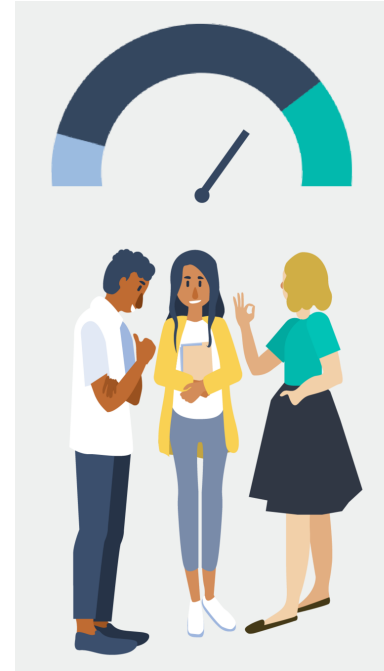


Photo credit: Five to Nine "eNPS: Keeping a Pulse on Employee Engagement"

Case study

In a meeting with your workers-compensation insurance provider, your premiums are quoted at a significant rate increase. They cite the high-dollar claims brought against your company in the last year. You'd like to avoid such a rate hike next year.

What data might you mine to make some informed decisions about how to solve this people problem?

What to study?

- + Accident types
- + Accident frequency
- + Positions where workers are more frequently injured or at risk
- + Ergonomics/safety review
- + Near-miss data



Case study

Your state legislature is enacting a new Equal Pay Act. It requires pay equity between genders and races. You're pretty sure your wages are OK. To avoid a problem, you'd like to know for sure.

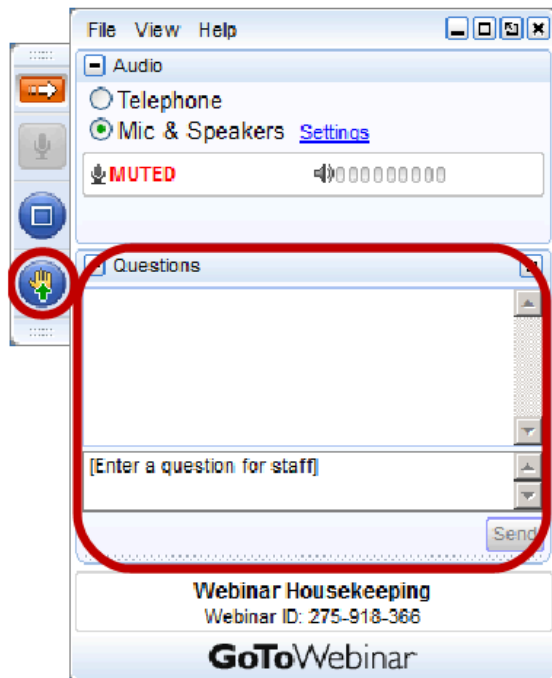
What data might you mine to make some informed decisions about how to solve this people problem?

What to study?

- + Employee wages
 - + Salary bands
- + Job titles/job descriptions/
job families
- + Employee tenure
- + Employee experience levels
- + Gender and race data



Questions



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