

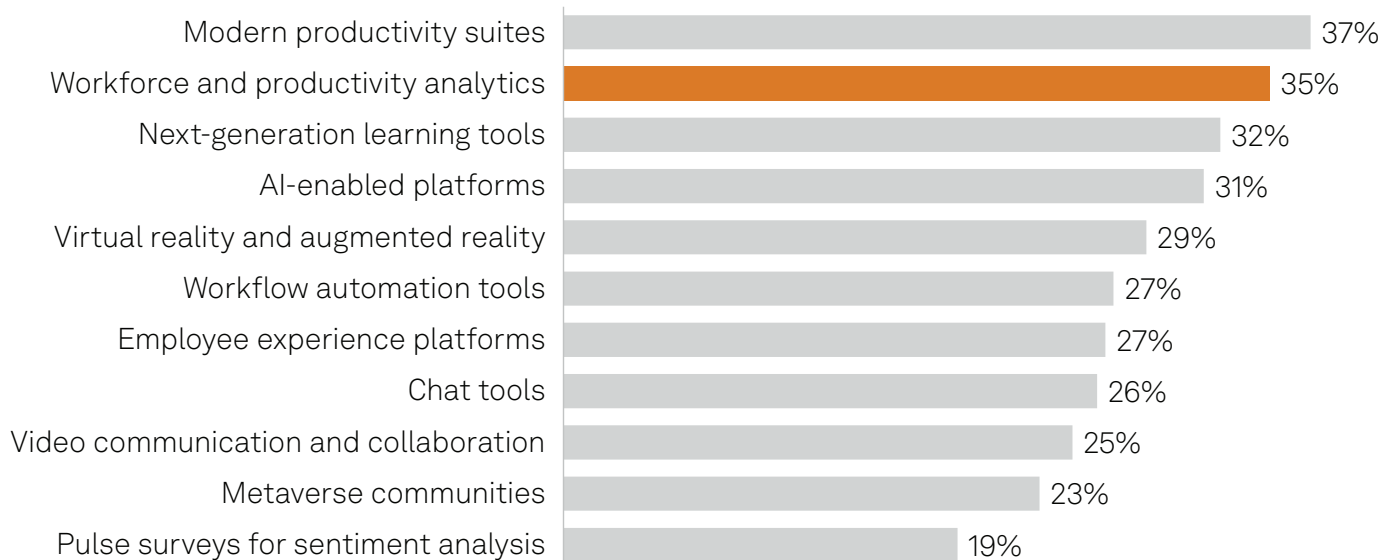
# Maximizing business impact with workforce data

## The Take

In today's rapidly evolving business landscape, the effective use of workforce data is crucial for making informed decisions that drive business success. Workforce data encompasses a wide array of information related to employees, including data about employee productivity and performance, workforce planning and resource utilization, and engagement levels.

Used effectively, workforce data can drive significant improvements in business operations, enabling organizations to make data-driven decisions, optimize resource allocation and enhance employee engagement and productivity. For example, performance data can identify high performers for leadership roles and shape onboarding and training programs. Additionally, productivity data can highlight areas where additional support or resources are needed, leading to more efficient operations. Engagement, absence and attrition data play a vital role in understanding the workforce and identifying areas for improvement. And technology usage data can help identify cost-saving opportunities, right-size license allocation and detect prohibited activities, such as the use of mouse jigglers or other work-mimicking technologies.

## Technologies with the greatest game-changing potential for the employee experience



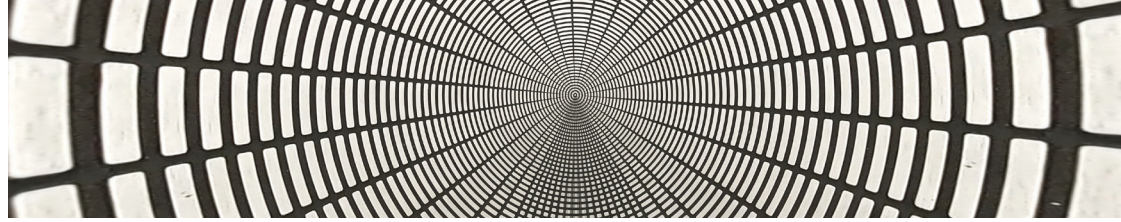
Q. Which of the following technologies – if any – will have the greatest game-changing potential for the employee experience at your organization over the next two to three years? Please select all that apply.

Base: All HR respondents (n=248).

Source: 451 Research's Voice of the Enterprise: Workforce Productivity & Collaboration, Employee Life Cycle & HR 2024.

Consider a company that uses workforce data to analyze higher employee attrition rates and finds that a lack of career development opportunities is a significant factor. By implementing training and career progression plans, it can reduce attrition and retain talent. Similarly, data analysis can identify management intervention opportunities to prevent burnout, improve learning and development pathways, and enhance workplace culture.

Collecting and analyzing workforce data does come with challenges, primarily due to data silos where information is stored in disparate, disconnected systems for different use cases. For example, HR teams use data to improve engagement, performance and retention. By contrast, finance leaders use workforce insights to align human capital strategies with financial goals, ensuring optimal resource allocation and cost management. While IT departments traditionally manage the data infrastructure, security, integration and data management practices, some of those responsibilities are shifting to operations teams within business lines to improve productivity and efficiency. Other common issues with datasets are accuracy, completeness and real-time versus historical data, as well as ensuring employee privacy and data security.



Operationalizing workforce data involves several key steps. First, organizations must establish a robust data governance framework to ensure quality and security and provide guidelines for data access and use. Next, data from various sources must be available in a single system with the analytics capabilities to derive actionable insights. Finally, organizations need to embed data-driven practices into their operational cultures, ensuring data is accessible by more people in their daily workflows.

## Business impact

**Informed decision-making:** The pervasive use of workforce data is beginning to transform decision-making across organizations. Our Voice of the Enterprise: Employee Life Cycle & HR 2024 survey shows that 41% of HR respondents are using some form of data analytics platform. IT teams also have a vested interest for security, compliance and operations but often can't move quickly enough to meet business leaders' data requirements. As a result, HR managers increasingly rely on data analysts, business intelligence and operations teams embedded in business domains to glean insights and define strategies. This moves data closer to business outcomes but requires new tools to support the ways different domains interpret their workforce data. HR focuses on engagement and retention; operations teams look at productivity; marketing teams analyze the impact of employee sentiment and resourcing on customer experience outcomes; and finance teams use workforce data to optimize budgets, forecast resource allocation and assess the financial impact of workforce changes.

**Cross-functional collaboration:** Effective collaboration between teams is essential to sharing data insights and aligning strategies. Interpreting data from multiple perspectives leads to more informed and strategic decisions. For example, 44% of HR respondents in our survey cite consultative business partnering and 38% cite data literacy as critical emerging HR skills. Organizations need processes to define and govern data ownership with clear roles and responsibilities, as well as regular reviews to ensure organizations adapt to changing needs and priorities.

**Optimization and integration:** Workforce optimization through data-driven insights involves continuously analyzing and improving workforce processes, such as capacity and headcount planning. Integrating workforce data with core business systems from providers like ADP, Salesforce, SAP, Workday and Zendesk provides more holistic views and can streamline processes, minimize data silos and enhance accuracy. For example, integrating workforce data with CRM systems can improve customer engagement by analyzing employee performance and identifying opportunities for training and support. People managers can use HR and project management data to conduct skills gap analyses, a strategy highlighted by 43% of managers to improve team skills.

## Looking ahead

Regulatory and policy evolution is defining new use cases for workforce data. More than a third (38%) of HR leaders report that complying with new laws and standards will be their top focus over the next two years. Data privacy regulations may require stringent security measures, shaping how workforce data is collected, stored and analyzed. To maintain trust and ensure ethical practices, organizations need to be transparent with workers about how their data is used and avoid collecting personal information. Organizations must monitor policy changes to remain compliant and identify opportunities to drive value from their data.

AI is revolutionizing workforce productivity by providing advanced tools, data and analytics capabilities. AI-powered solutions are increasingly automating routine tasks, identifying performance trends and providing personalized work style recommendations for employees. Employee performance monitoring and analytics is the largest active use case for AI, cited by 45% of respondents in our same HR survey; 37% use AI to analyze employee engagement and attrition risk, and 34% use it to identify employee skills gaps.

As data-driven decision-making becomes more prevalent, new roles and responsibilities in workforce operations are emerging. These include data scientists, analytics managers, AI specialists and dedicated operations roles within HR, sales and marketing teams. Organizations need to develop strategies to attract and retain talent in these roles.



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