



Ultimate  
SOFTWARE

Payroll(&HR) Analytics

October 2017

People first.

# About Me













Why “&  
HR”?



# Having Payroll Analytics Help You



# Paying employees accurately

- Examples:
  - Zero net checks by employee
  - Overtime exceeds x hours
  - Fulltime employees with no paycheck/hours
  - Net amount exceeds x
  - On leave getting paid
  - Termed employees getting paid
  - Multi-Company employees
  - Tracking error types

# Detecting Fraud

- Employees with same address getting paid
- Employees with same direct deposit accounts getting paid
- Audit employees schedules compared to timesheets

# Spotting Trends

- OT paid (hours/\$) by cost center/location
- Manual checks by department
- Voided checks by department
- Employer paid items as a % of gross payroll
- Upcoming minimum wage changes
- Cost of Talent by (department, division, etc.)



**SHARE**



# EXAMPLES OF HR MEASURES

# Managing Headcount & Turnover

- Average Headcount for Period
- Headcount Growth Rate
- Turnover Rate
  - Voluntary vs. Involuntary
- Retention Rate
- High Performer Turnover
- Turnover Cost

# Monitoring Workforce Outliers

- Salary Grade Headcount
- % of Salary Grade Headcount Below Minimum (% Under Range)
- % of Salary Grade Headcount Above Minimum (% Over Range)
- Market to Midpoint
- Compa-Ratio Range
- % within Comp-Ratio Range
- % Outside Compa-Ratio Range
- Average Merit Increase

# Assessing Workforce Productivity

- % High Performer Growth
- % of Total Wages for Highly Rated Employees
- Revenue per Employee
- Employer Cost per Employee
- Labor Cost per Revenue Dollar



The background of the image is a dark green field filled with a repeating pattern of small, light green human silhouettes. Overlaid on this is a word cloud of various colored speech bubbles in shades of blue, purple, pink, orange, and green. The word "SHARE" is prominently displayed in the center in large, bold, white capital letters with a slight drop shadow.

# SHARE

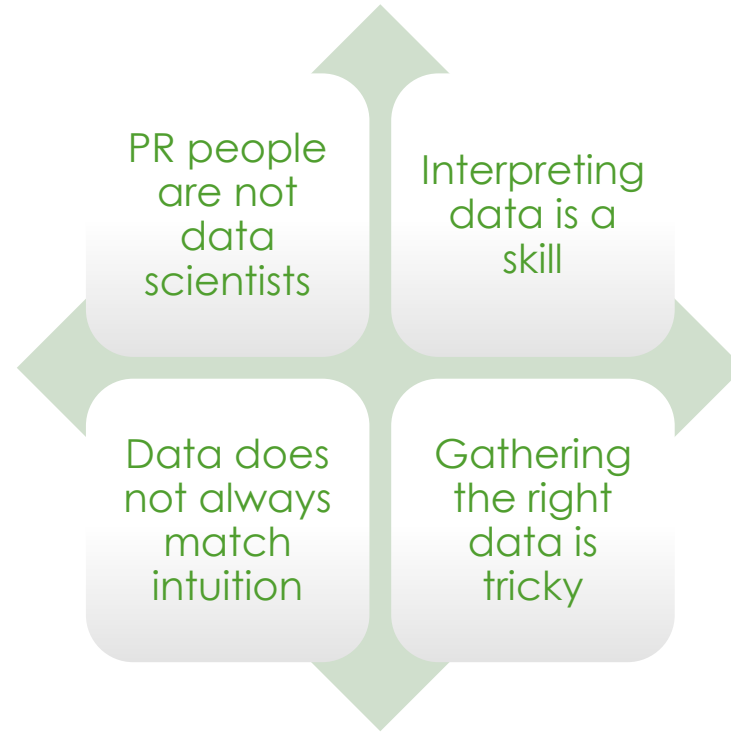
# Alignment



# Strategic Challenges

- Keeping pace with changing technology and attract key talent
- Reduce turnover for key employees
- Increase customer satisfaction and quality of your solutions
- Increase operating margins

# Analytics can be challenging





# Best Practices



1. Question anything that isn't measured
2. See #1

# The secret to becoming “analytically savvy”

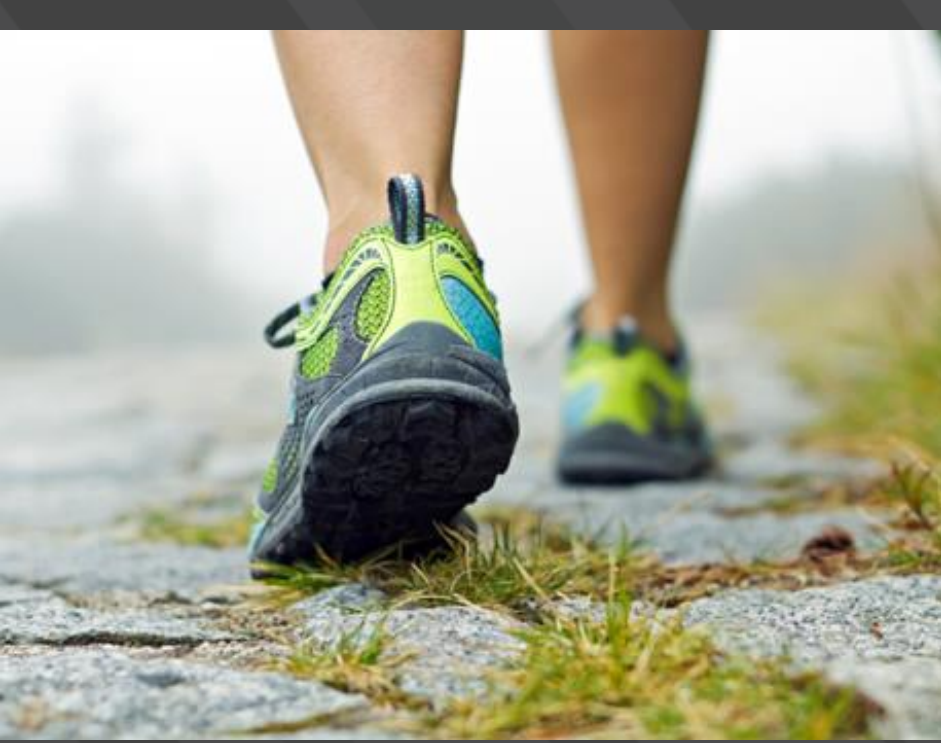
**SOLVING PROBLEMS** is the main skill you need  
**TELL A GOOD STORY** with the data

# It can start with a hunch



# Types of data that can be useful

- Hours worked
- Pay check data
- Absence Data
- Compensation data
- Talent data



Lets walk through an  
Example.

# Problem

- HR team notices that the turnover has been climbing in the past 6 months
- HR team starts to investigate.

# Lets start with YTD turnover...

## Turnover Report

Organization	Headcount	Involuntary Terminations	Voluntary Terminations	YTD Turnover
Customer Service	335	1	4	1.2%
Marketing	15	0	0	0.0%
Development	95	0	0	0.0%
Corporate	18	0	1	5.6%
Manufacturing: Bicycles	22	0	5	22.7%
Manufacturing: Apparel	19	1	1	5.3%
Manufacturing: Accessories	12	0	1	8.3%
Internal Solutions	98	2	3	3.1%
<b>Overall</b>	<b>614</b>	<b>4</b>	<b>15</b>	<b>2.4%</b>

# Then look at historical turnover

## Turnover Report

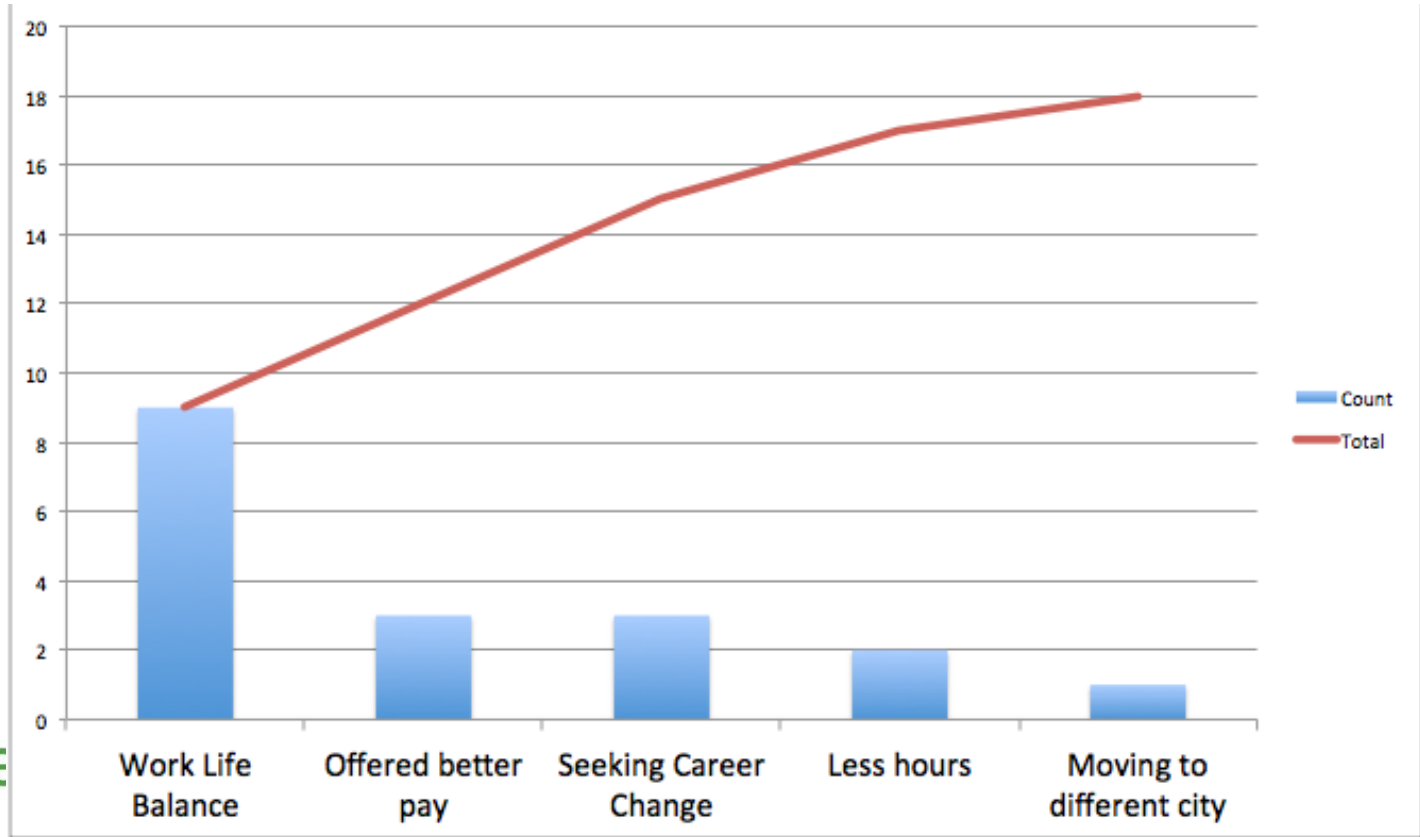
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Manufacturing: Bicycles	22	0	5	22.7%

## Overall

	2016				2015				2014			
	Actives	Involuntary	Voluntary	Turnover	Actives	Involuntary	Voluntary	Turnover	Actives	Involuntary	Voluntary	Turnover
Entire Org.	455	4	8	1.8%	422	3	6	1.4%	401	2	6	1.5%
Overall		614				4			15			2.4%



# Why are people leaving?



# HR Potential solutions

- Flexible Work schedules
- Family Events
- Creative Time Off policies

# Challenge Two

- Payroll expenses are on the rise
- Payroll team starts to investigate

# Payroll team investigates

## Overtime Report

Location	Regular Hours	Overtime Hours	% OT
Boston	114,400	14,000	12.2%
Chicago	52,000	4,800	9.2%
Atlanta	49,920	9,045	18.1%
San Diego	37,440	3,204	8.6%
Cleveland	191,360	26,373	13.8%
Bismark	85,280	8,476	9.9%
Overall	530,400	65,898	12.4%

# Different Views

- HR POV

- Flexible Work schedules
- Family Events
- Creative Time off policies

- PR POV

- Cost of OT is high



# What could be impacting retention?

It can start with a hunch or a report

**Retention might be negatively impacted by amount of hours an employee is putting in.**

- How many people left due to lack of work life balance?
  - What do those people have in common?
- How many people are working a high percentage of overtime?
  - What do those people have in common?

# What information is available?

Report

Turnover Report  
Voluntary  
Terminations by Job  
Exist Interview  
Reponses  
OT Outlier Analysis

Analyze

Spike in voluntary  
terminations  
Top reason is work  
life balance  
Percent OT above  
Average

Respond

Solutions  
Alert Managers  
Create reports to  
manage/monitor  
Results





# Ask questions

Is there a common...

- Department
- Job
- Location
- Manager
- Day of the week
- What are the common factors

Does it trend over time?

*People first.*

# Intersection



A Venn diagram consisting of two overlapping circles. The left circle is gray and labeled 'Atlanta Employees'. The right circle is light blue and labeled 'Bicycle Employees'. The intersection of the two circles is shaded a darker gray.

Atlanta  
Employees

Bicycle  
Employees

# The analytically savvy conclusion

Hunch: Retention might be negatively impacted by amount of OT required

- Reports show spikes in voluntary terminations, 50% for work life balance, most were in Atlanta (another 11% for less hours)
- OT put in was 30% higher than other locations



# Joint Solutions

- Volunteer program for OT
- Cost analysis
  - Cost of OT vs. Cost of an additional employee
- Contingent workers for busy times
- Shift excess work to other locations

# What is Next

Report



Analyze



Respond

Turnover Report  
Voluntary  
Terminations by Job  
Exist Interview  
Reponses  
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# Respond

- Present findings to appropriate people
  - Convey impacts
- Create and roll out plan
- Put milestones in place to check results
  - How many people volunteering?
  - What are the trends to turnover



# Tell the Story

## Key tips

- Know your audience
- Craft your message
- What's your Lead
  - Support it with meaningful facts
- Hook and Tone





## Fast Forward 1 year

- Reduced turnover
- Employees have more work life balance
- Significant ROI was achieved
- Tell this story



# Key points

- Trust your hunches
- Back with Data
- Approach from how it impacts organizational objectives
- Sell it to the organization

Thank  
You