



REWORKING HCM: PUTTING AUTOMATION IN ITS PLACE TO KEEP THE WORKPLACE HUMAN

ABERDEEN

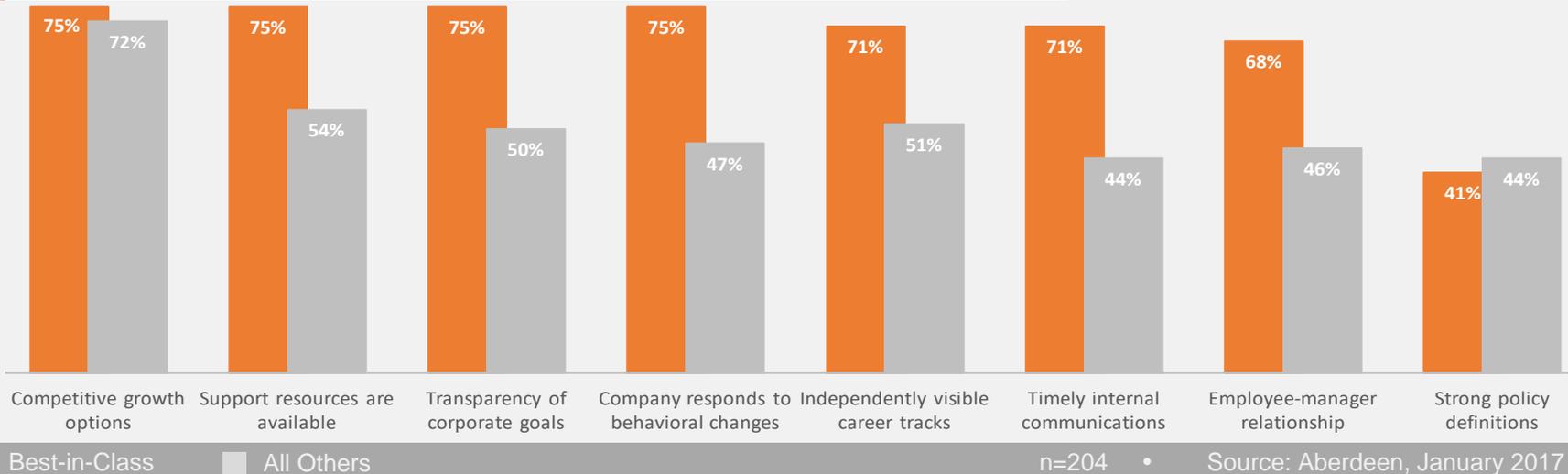
The Call of the C-suite

As technology-induced automation speeds workplaces down the dual pathways of standardization and routinization, Best-in-Class companies are fast recognizing that forcing employees to adhere to a benchmarked way of doing things is alienating and disengaging. Pressured by the C-suite to cut costs, however, HR is grappling with a new conundrum: Is it possible to answer the C-suite's call to do more with less, while accommodating the needs of a diversely engaged workforce?

Building a Conducive Workforce

- Salary and career growth are still very much critical reasons employees join and stay with their employers.
- What has changed is that **existential reasons** for employment choice are supporting a more engaging structure for raises and promotions: Employees can now chart a visible career track, without necessarily expecting that certain amounts of work will fulfill known criteria for advancement.
- As workplace culture is a top priority for many employers, the Best-in-Class are focusing on how to merge employee goals with the goals of the organization while improving strategic communications methods and timing.
- The Best-in-Class are recognizing that timely and transparent communications are vital to the workforce being engaged and motivated – and automated notifications are not the answer.

Top Reasons Employees Join and Stay With the Company



The Company or the Job •

68% of the Best-in-Class consider low employee engagement to be a top pressure facing their organizations. From the employee's perspective, "engagement" means the difference of whether they are motivated to work *for the company*, or just working to build an independently developed career.

As the Best-in-Class ramp up employee engagement, they are changing technology's role to facilitate more direct engagement between people in the workplace. The Best-in-Class are 17% more likely than All Others (76% vs. 65%) to recognize that an inability to achieve management goals is fueled by low engagement – even if there are relevant gains in employee productivity. To answer this, 36% of companies are ramping up investment in stronger, cross-functional data analytics to provide HR with strategic behavioral models that guide direct engagement priorities akin to a triaging process.

The Company or the Job •

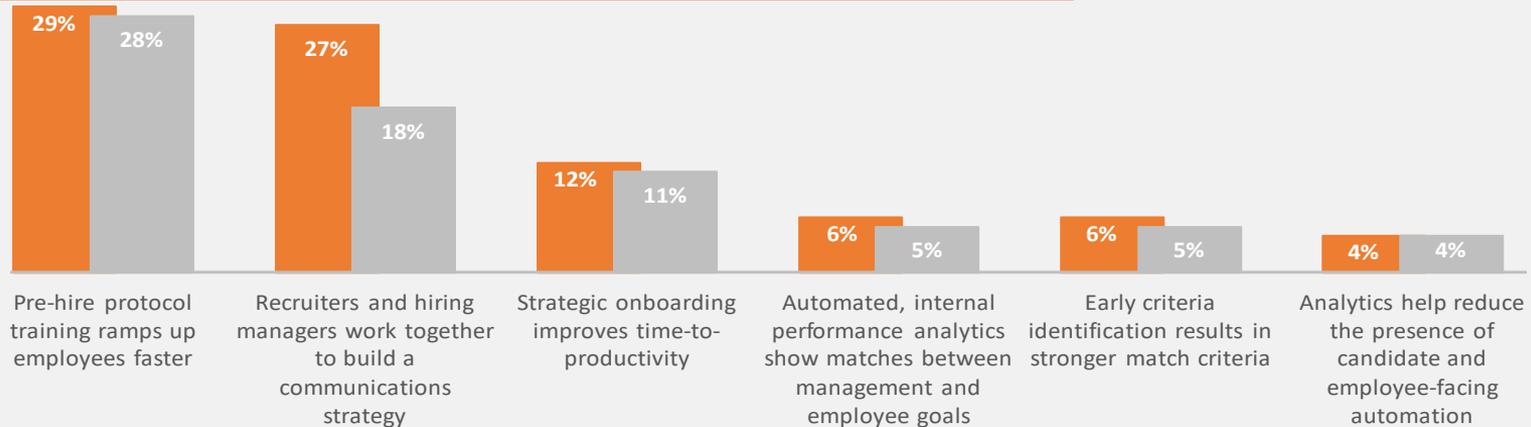
Looking back at employee goals, the data shows that transparency, communications, accountability, and growth are the top themes of why employees *join and stay* with an organization. As employees contribute more to the workforce, HR must find a way to keep employee data management from cluttering and clouding existing work responsibilities.

Data and analytics are playing a large role in hybridizing HR's understanding of workforce and labor performance management to better deliver on these features. Best-in-Class companies are 2.2x more likely than All Others (40% vs. 18%) to integrate behind-the-scenes datasets to gain a better understanding of employee performance metrics down to the level of the individual employee. They are also creating new performance metrics and productivity maps without requiring employees to log more data into the HR database. In fact, 58% of companies are shifting to processes that intrude less on employee responsibilities, reducing employee time-spend on conscious data entry.

Integrating People and Automation

- Automation is not a labor replacement value-add; automation best serves HR's effort to balance productivity with the call for cost reduction through analytics that point HR to where they need to better engage the workforce.
- The graph shows the top methods that Best-in-Class and All Other companies are using to push data management behind the scenes in order for HR to make smarter decisions about labor management.
- Strategic engagement is making HR resources more nimble, while enabling them to actively build and maintain employee relationships that build toward a more conducive and productive workplace.
- **Best-in-Class companies are 92% more likely than All Others (25% vs. 13%) to find that strategic engagement is improving the alignment between employee performance improvements and the rate of achievement of management goals and objectives.**

Top Tactics to Optimize Engagement in Early Performance



Best-in-Class All Others

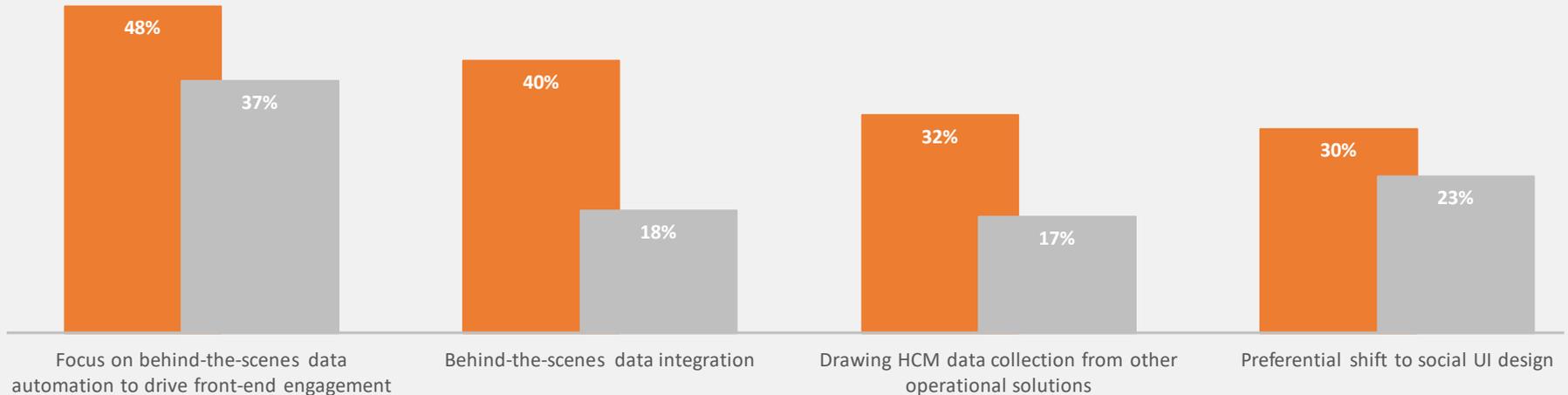
n=273

Source: Aberdeen, July 2017

Moving Data Visibility to the Back

- Building engagement means removing the stages of automation from the conscious mind of the employee affected by it.
- Best-in-Class companies are reprioritizing technology's role in the daily life of an employee.
- The key focus for HR is to preserve and / or improve the quality of the data they are analyzing, while making it less intrusive to employees.
- Employees expect to be treated individually, rather than being forced to conform to a benchmarked standard.
- Imperative for the HR technology transformation is to track employee participation metrics and analyze them behind the scenes to essentially track the heat map of where HR resources are most needed to sustain and build lasting productivity and growth. Only then can they justify the ROI of the workforce.

Reducing the Technology Invasion



Best-in-Class All Others

n = 204, 150

Source: Aberdeen, January 2017, July 2017

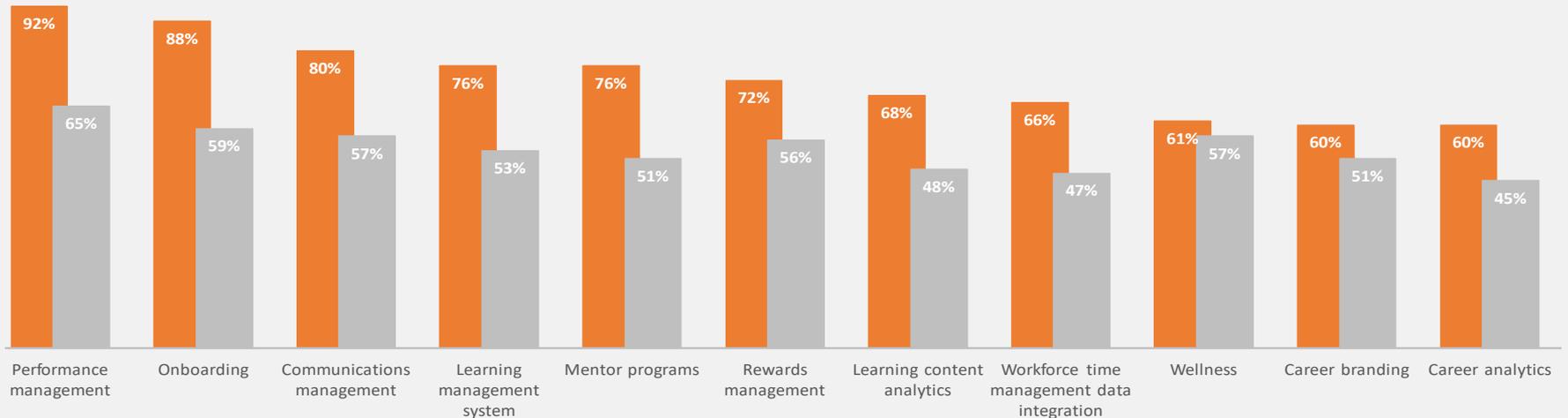
Truth Time •

- Employees are behavioral in nature – as human beings, we are programmed by cause and effect, enabling us to learn from our daily routines and self-improve.
- Workers expect to see some return come from their ability to improve how work is done both personally and across the department or organization.
- Enabling HR to recognize when this happens means focusing less on whether the employee records their actions and more on whether improved metrics are the net result.

Tools of the Trade

- To drive engagement, Best-in-Class companies are integrating their existing performance management strategy with other capabilities that fill in shorter-term engagement and data gaps.
- Beyond performance management, Best-in-Class companies are first looking to transition early engagement in the hiring process into the new-hire management strategy (through onboarding).
- Then, they are looking at strategic communications management.
- The meat of the employee technology strategy is focused on three tiers of resource deployments in rewards management, learning and development, and wellness. Together, these three provide metrics that can be used to track performance and employee interests and motivators in real-time.

Top Solution Spaces in Use



Best-in-Class All Others

n=150

Source: Aberdeen, July 2017

Truth Time •

- As behavioral beings, employees respond to a combination of incentives, growth plans, and support resources to manage stress and maintain a conducive workspace.
- Best-in-Class companies are turning to rewards management for performance pull; wellness for performance push; and learning and development to drive the next big wave of growth for the organization.
- The run-rate, participation, and use-case metrics for each of these spaces says a lot about employee direction.

Conclusions / Recommendations

Conduct an engagement survey

If you don't know where to begin, conduct an employee engagement survey as part of your existing performance management strategy.

Ask about clutter in the employee's work environment with particular attention paid to employee task management. Address how recognizable internal data collections are, and whether or not employees feel like they have growth opportunities in-line with their own goals, and if managers are facilitating them.

Build a labor-first strategy

Take the results of engagement surveys seriously. Reconfigure the HR technology environment to facilitate work-related tasks, rather than merely documenting them.

The new-age data strategy should pull information from the workforce as employees go through their day and as technology helps facilitate the completion of their objectives. Data can guide HR decisions, but employee data contributions should not be a burden.

Less routinization and more personalization

Employees want to follow their goals to the career that best matches them. Evaluate candidates based on their potential, not just on whether they can fill today's role. Gauge if a career can be built for them inside the organization, and what resources it will take to facilitate said career. Try to build a management and performance plan that accounts for the individual employee beyond the initial standards set by the company. Engage employees when performance falls, and encourage them when they succeed.