

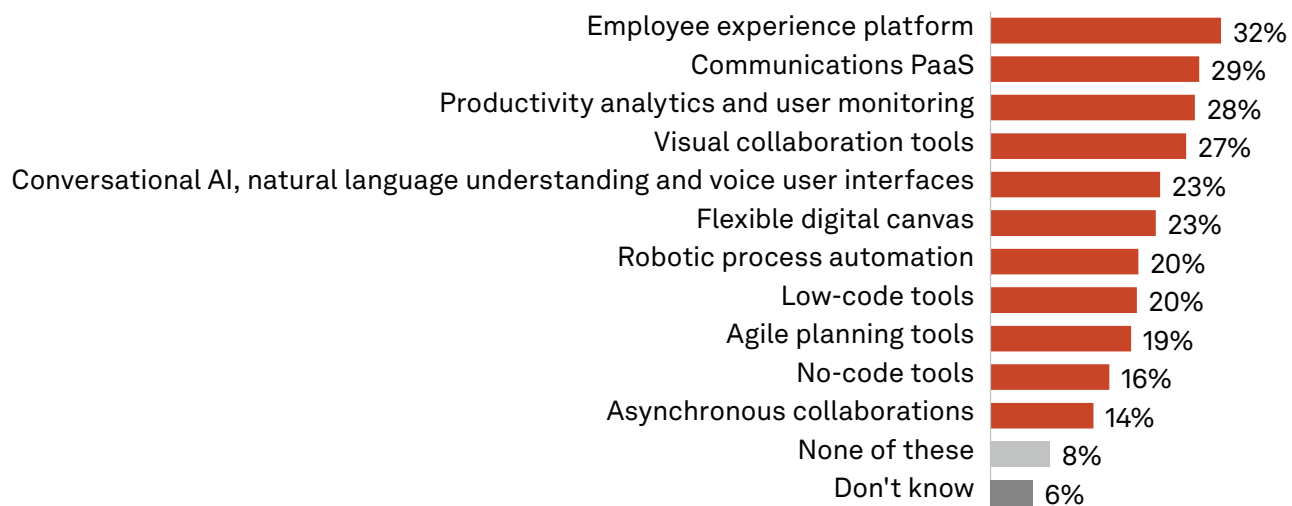
Workforce Analytics Can Bolster Businesses' Key Operational Priorities During a Time of Economic Headwinds

The 451 Take

Many businesses are grappling with two significant challenges right now: a difficult economic environment and employees' remote working expectations. Most industries are seeing a net downsizing or cancelation in customer spending. On top of that, twice as many employees now expect to be able to work remotely full time (27%) or on a hybrid schedule (55%)¹ compared to pre-2020, when 15% and 30%, respectively, did so. It's no surprise then that 88% of businesses say they'll find it challenging to effectively support a more distributed workforce over the coming few years. Their main concerns are team building, keeping employees focused and aligned, supporting new expectations regarding work-life balance, having the right tools to support remote working and retaining their employees.²

To meet these challenges, a growing number of businesses are looking to various kinds of workforce analytics to up their game when it comes to workforce planning, resource management, employee engagement, process optimization and workforce productivity strategies. Productivity analytics ranks among the top three technologies that businesses believe will have the greatest game-changing potential for their organizations over the next few years (see figure below).

Productivity analytics and user monitoring has game-changing potential



Q. Which of the following workforce productivity and collaboration technologies – if any – have the greatest game-changing potential for your organization over the next two to three years? Please select all that apply.

Base: All IT decision-maker respondents (n=500).

Source: 451 Research's Voice of the Enterprise: Workforce Productivity & Collaboration, Technology Ecosystems 2022.

As a component of workforce analytics, employee monitoring can raise concerns, but the data has been consistent for several years now: Both employers and employees are onboard when monitoring is used to recommend productivity improvements. Nearly half (44%) of employees say they would be very comfortable with this, and 42% somewhat comfortable.³ This is reinforced by transparency best practices, when employees understand what data is being collected and how it can be used to facilitate conversations between managers and their teams.

1. 451 Research's Voice of the Enterprise: Work Execution Goals and Challenges 2022

2. 451 Research's Voice of the Enterprise: Work Execution Goals and Challenges 2022 and Technology Ecosystems 2022; 451 Research's Macroeconomic Outlook: Business Trends, ESG 2022

3. 451 Research's Voice of the Enterprise: Work Execution Goals and Challenges 2022

Business Impact

Empowering employees to optimize processes. One of the first realizations that stemmed from the shift to mass remote working in the early days of the pandemic was that many workflows and processes were redundant or suboptimal, so businesses streamlined their operations. Now, with the economic downturn, companies need to find ways to do more with less. Workforce analytics can help organizations weed out less effective processes that put a strain on existing resources by showing where operational friction and inefficiency exist. Workforce analytics can also empower managers and their teams to take ownership of process design, which can increase operational agility and employee engagement.

Leveraging employee engagement as a driver of other outcomes. A traditional view of engagement focuses on culture, compensation and benefits, all of which are still important. However, data from our Employee Engagement 2021 survey shows that learning and career development opportunities, a good technology experience and a sense of belonging are the top three drivers of positive engagement. That positive engagement correlates with other outcomes such as retention, skilling and productivity. Workforce analytics can play a key role in coaching and improving that technology experience by highlighting areas where employees may struggle to balance workloads, where time is best spent, and which combinations of tools and best practices will elevate that experience. This is increasingly important because according to the same data, 29% of employees say they would seriously consider moving to another organization if the only difference was a better day-to-day experience across the tech stack.

Data-informed resource management and capacity planning. Businesses also face challenges in managing their real estate and technology expenses. Many organizations are overhauling their operational model, including where and how people work and with which technologies, but they need accurate data to help them make wise business decisions. Workforce analytics can provide resource visibility to support internal and external collaboration, as well as the optimal use of offices and other premises. People, process, projects, technologies and locations are interrelated, but consistently making good decisions about how to manage those often-complex intersections requires ongoing data-informed insight.

More agile and holistic workforce planning. Digitally progressive organizations are beginning to take a more holistic view of workforce planning. They are looking beyond the often-siloed planning cycles led by finance and HR functions as they strive to be operationally efficient in a challenging economy. Workforce planning is a data-driven discipline in which workforce analytics can be used to monitor and assess an organization so leaders can make informed, intelligent decisions about workforce consolidation and/or expansion and financial plans. Workforce analytics can also be useful to model shifting team makeup and its effect on performance, for M&A mapping, upsizing and downsizing, and to predict the impact of various external forces on performance and team dynamics. When combined with workforce management tools, workforce analytics can help support more dynamic workforce management.

Looking Ahead

Faced with today's economic uncertainty and the various operational strains that have compounded over the past few years, businesses are looking for better ways to balance the employee experience with the operational culture that defines how work is done across teams. Organizations want more operational resilience, ways to identify how to do more with less, and strategies to win talent from a pool of prospective hires who are more discerning about the kind of experience they want at work. The bar will be raised significantly over the coming years, so businesses must look for new strategies and approaches to access data, conduct analysis and gather insight on how to adapt with new practices and policies as traditional assumptions and conventional practices become redundant.



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