

Four Steps to Successful Workforce Decisions: Using Data to Guide Executive Conversations

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Introduction



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Our Saratoga HR and workforce benchmarks can help you make informed, strategic decisions in rapidly changing times. Our industry benchmarks draw data from hundreds of companies and have set the standard for 40 years.

Agenda:

Four Steps to Successful Workforce Decisions

1

Quick Sample

Leveraging data to help reduce turnover in IT

2

Introduction

Who are we?

3

Four Steps to Success

- Measure Metrics
- Compare to Others
- Provide Context
- Set Reasonable Goals

4

Getting Started

Where to start, how to get help

1

Quick Sample

Quick Sample: IT Staffing



The COO requests your help during a leadership meeting:



Our IT team is struggling to keep up - we need to make sure they are properly staffed - but we can't spend a ton of money!"



Where do you start?



Quick Sample: IT Staffing

1 Identify and Measure Metrics

For our IT team, we measured:

- ⊗ Turnover
- ⊗ Retirement Eligibility
- ⊗ Vacancy Rate
- ⊗ Time to Hire
- ⊗ Team Size
- ⊗ Spans of Control
- ⊗ Compensation

...broken down by demographics, such as gender, age, level, and tenure to see if there are particular trouble or opportunity areas.

For this example, let's just focus on:

- ⊗ Women Turnover in IT: **18%**
- ⊗ Men Turnover in IT: **15%**



Quick Sample: IT Staffing

2

Compare to Others

Turnover

My Metrics

W Women Turnover in IT: 18%

M Men Turnover in IT: 15%

Turnover (All)				
10th	25th	Median	75th	90th
9.1%	13.6%	18.5%	24.8%	31.5%
		M	W	

Information Technology (Manufacturing)				
10th	25th	Median	75th	90th
7.5%	9.6%	13.3%	15.3%	17.1%
			M	W !

Turnover (Manufacturing)				
10th	25th	Median	75th	90th
6.1%	10.5%	15.9%	20.7%	28.6%
		M	W	

Women (Manufacturing)				
10th	25th	Median	75th	90th
9.2%	13.3%	14.6%	21.2%	28.4%
			W	

Source: Calendar Year 2022, Saratoga annual workforce benchmarking study.

Quick Sample: IT Staffing

3 Provide Context

Our recent turnover reduction efforts...

- Retention Bonuses
- Pet Insurance
- Manager Training

... decreased overall turnover by 1% this year and we expect this trend to continue for the foreseeable future.



Quick Sample: IT Staffing

4 Set Reasonable Targets

Based on the benchmarks, if we continue with our efforts

- ⤵ We would be at the median this year overall
- ⤵ Turnover for our women in IT is still way out of range (18% vs. 13% median and 17% 90th percentile)

Given that we have 1230 women in our IT function, to get to median levels we would have to prevent roughly 5% (62 women) from leaving.

Are we willing to invest money and time into reducing IT departures by 62 women?

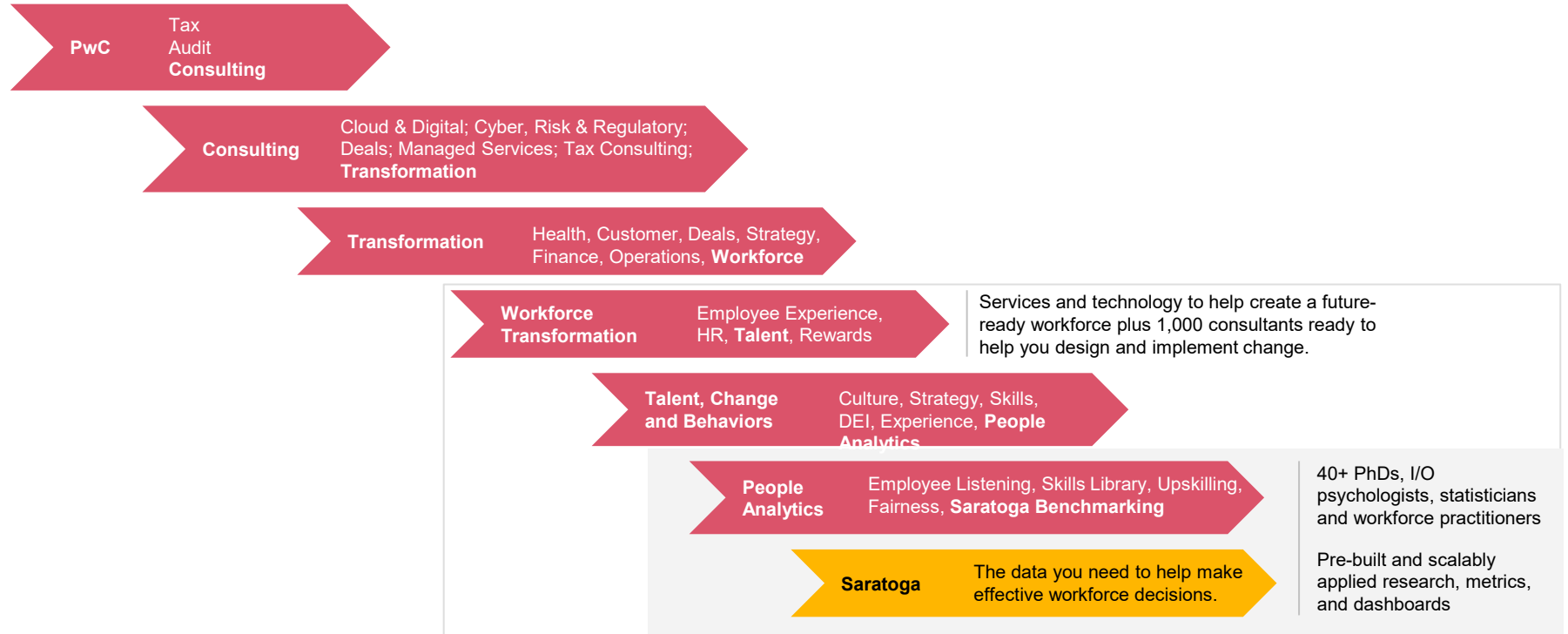
Will this be enough to reach our initial goals?



2

Introduction

Saratoga is an integral part of a broader PwC ecosystem



Saratoga benchmarking



Using Benchmarks



We asked some of our 400+ clients:



How do you use Saratoga Benchmarks to get what you want (or need) from your executive leadership teams?



Here is what we learned.



Common Situations That Need Data

1

Provide Updates

- ⦿ “How are we doing?”
- ⦿ Leadership meetings
- ⦿ People dashboard

2

Evaluate Requests

- ⦿ Cut costs
- ⦿ Increase staff
- ⦿ Build team

3

Acquisitions/Divestitures

- ⦿ Due Diligence
- ⦿ Post-event Planning

4

Continuous Improvement

- ⦿ Increase Efficiency
- ⦿ Reduce Costs

?

How do you get what you want?



Four Steps to Success

Four Steps to Success

1

Measure Metrics

- What data can help us make our decision?

2

Compare to Others

- How do our metrics compare to other organizations?
- Are there macroeconomic trends that are impacting us?

3

Provide Context

- What initiatives (or lack thereof) have impacted our metrics?
- What do we care most about?

4

Set Reasonable Goals

- What are realistic targets based on our priorities, the benchmarks, and our current situation?

3

Four Steps to Success

Step 1: Measure Metrics

1 Ask yourself three questions:

- What changes could I make?
- How can I decide to make changes?
- Which metrics can help me decide?
- *Don't start with: "what data do I have?"*

2 Get the data from the source

- HRIS/ERP
- Applicant Tracking Systems
- Employee Listening

3 Evaluate the quality of the data

- Automated vs. manual entry
- Constrained vs. open response
- Self-reported and optional data
- System changes

4 Select and calculate your metrics

- Annualized
- Quarterly
- Monthly



Start with the end in mind.

- ⤵ Focus your efforts on the actions you know you can implement - not on the ones that may be immediately dismissed.
- ⤵ Data can be more helpful when it drives action rather than just informing.

Step 1: Measure Metrics (example)



Proposed Changes:

Create initiatives to increase retention for specific groups
Increase turnover for other groups



Metrics:

Women IT Turnover
Men IT Turnover
Black IT Turnover
White IT Turnover
Asian IT Turnover



Selected Metrics:

Women IT Turnover
Men IT Turnover



Situation for Change:

If one group has significantly higher turnover than other groups, and the group size is significant enough to impact overall numbers



Data:

Total IT Headcount
Women IT Separations
Men IT Separations
Black IT Separations ← Race/Ethnicity data is unreliable in your system
White IT Separations
Asian IT Separations



Many possibilities, fewer is better

- There are so many different ways to address an issue, so be mindful to focus on areas that you are willing to implement AND for which you have quality data.

Step 2: Compare Against Others

1 Choose Benchmark Source

- Frequency of update
- Breadth of metrics
- Consistency of definitions
- Validation of Data

2 Get Multiple Benchmarks

- Industry
- Size
- Revenue
- Custom / others

3 Review Distributions of Benchmarks

- NOT just the median

4 Compare to your Metrics

- How do you compare?



Benchmarks are more than medians

- ⤵ Medians are helpful, but they don't tell the story. Having the distribution helps set reasonable expectations.
- ⤵ Present ranges of data instead of a single value to enable reasonable goal setting - and try to prevent getting unattainable assignments.

Step 2: Compare Against Others (Example)



Choose Benchmark Source

Our Saratoga reports 800+ metrics from 400+ companies based on annual data collection using definitions consistent for decades; all data is validated.



Get Multiple Benchmarks:

- > Industry: Manufacturing
- > Size: 10,000-25,000 employees
- > Revenue: \$500M - \$1B

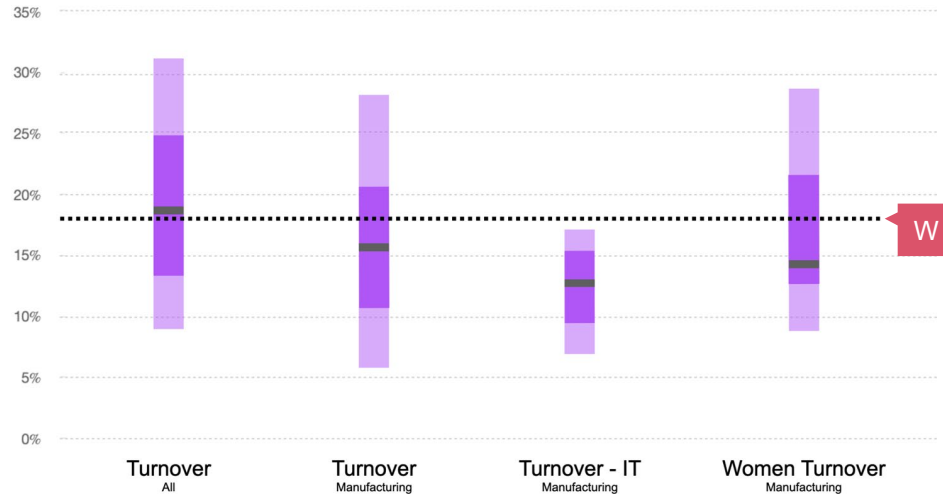


Review Distribution

For the benchmarks that are available, the turnover for Women in IT is in range for overall turnover (for all industries), overall turnover (for manufacturing), and women turnover (for manufacturing), **but very high compared to overall turnover in IT.**

Women Turnover (Manufacturing)

10th	25th	Median	75th	90th
9.2%	13.3%	14.6%	21.2%	28.4%



Source: Calendar Year 2022, Saratoga annual workforce benchmarking study.

Step 3: Provide Context

1 Get Benchmarks

- Are a very important data point
- Are NOT *the* answer

2 Explore Your Context

- Initiatives
- Priorities
- Culture
- Geography

3 Engage Decision Makers

- “We are totally unique!”
- “We can do better than that!”
- “How did you arrive at this?”



Context is important

- For example, if you invested heavily in retention strategies, you should be seeing turnover that is less than benchmarks.

Step 4: Set Reasonable Goals

1 Benchmarks Bring Reason

- Do you want to be average, better than most, or best?
- Data is better than opinions

2 Engage Decision Makers

- “Based on this, what do you think is reasonable?”
- “What would you invest to get to the next level?”

3 Plan Your Next Steps

- Situation
- Task
- Actions
- Potential Results

4

Getting Started

Summary



Using Data to Guide Executive Conversations



Four Steps to Success

1. **Measure Metrics**
2. **Compare to Others**
3. **Provide Context**
4. **Set Reasonable Goals**



PwC can provide:

1. **Data** to help inform decisions (Saratoga)
2. **Solution** to help measure employee experience (Listen)
3. **Services** to help
 - a. Measure metrics
 - b. Analyze data
 - c. Plan action
 - d. Enact change



Thank you.

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