

# Visualizing Organizational Metrics from Web-based Organization Charts

By Jim Candler, Human Concepts

When we think of organization charts, the delivery of analytical and metric information is not the first thing that comes to mind. Instead, we think of one or two page hierarchical charts used to view the reporting structure of a department or two. Usually these charts are in PowerPoint, Visio or similar format. By centralizing such information and combining hierarchical data from all departments, many HR and HRIS practitioners are finding that centralized, Web-based organization charts can deliver value far exceeding traditional expectations.

Many workforce analytics and scorecard systems can cost well in excess of US\$4 million and take longer than 18 months to implement. Even with this investment, organizations are frequently left with unfulfilled expectations. For a modest amount of this cost, organizations can achieve a generous percentage of the original goals established for many workforce analytics and scorecard systems. By using a centralized, Web-based organization charting platform as both a user interface and secure delivery vehicle, they can accomplish many key goals without such an elaborate investment.

The same charts used to visualize supervisory reporting structures at a departmental level can become a convenient launch platform for the delivery of many functions. These include simple reporting, critical data visualization, organizational modeling, data validation and much more. Many enterprises are finding that Web-based organization charts provide an effective platform for the delivery and visualization of analytical data, metrics and organizational information in all forms.

As the structure of the global economy continues to take hold, the sheer complexity of the modern enterprise presents serious management challenges. In order to remain competitive in this environment, an unprecedented level of accuracy is required for a large variety of organizational information. There is no better way to correct inaccuracies than to conveniently and securely expose them to the people with a vested interest in their correction.

Using the unique features of centralized Web-based

organization charting, information can be easily and securely accessed by anyone in the enterprise via the use of just a Web browser and a click on a standard URL Web link. Further, by creating a single centralized platform for enterprise-level organizational charts, implementers create an unprecedented environment for growth, visualization and accuracy. This strengthens an organization's ability to remain competitive in the economic environment of today and beyond.

We do not have to look far to see why this concept works so well. Most often HR analytics and metrics provide information about two things — individuals and organizations. Even when metrics are about individuals, they are best viewed in comparison to an individual's peers. Additionally, there is not a better place to view organizational metrics than in context with the organizational hierarchy. This natural interface entices even the shortest executive attention span to take a closer look to visualize with a level of accuracy not possible with less intuitive interfaces.

Let's look at a few simple examples.

## HEADCOUNT

Figure A shows headcount summary numbers at the top of an organization. The formulas used to calculate the numbers can be quite complex. Some formula examples include; count open positions, do not count open positions, count only approved open positions, count part time positions as 50 percent of a headcount, etc. Different formulas for different departments of organizational groups may be needed.

It is much more convenient to review headcount in the proper context, and to further increase the value of the information, add a next level drilldown. For example, in Figure B, in the CEO's detail (the box on the right) the total headcount by location is shown. The location data could also be presented for each of the CEO's direct reports by simply selecting the proper chart box.

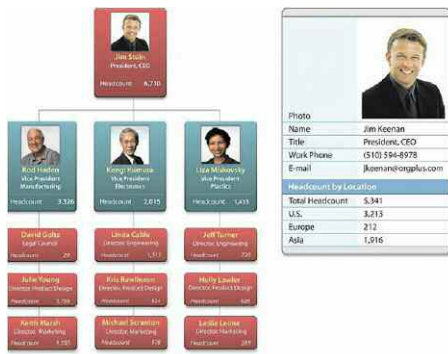


Figure A: Organization Chart Showing Headcount.

### JOB TYPE CENSUS

Figure B shows a Job Type (or Job Code) census report within an organization chart. This type of presentation adds an important dimension to simple headcount reporting. While traditional headcount reports present the number of people in each department, this graphical representation places metrics in the proper context for effective analysis. The base analysis can be done instantly without spending an extraordinary amount of time digging through reports or spreadsheets.



Figure B: Organization Chart Presenting Job Type Census Data.

### A WORD ABOUT SECURITY

From these two examples, we can see how convenient it can be to use organization charts as a launch platform for presenting metric information. However, we also know that the most important metrics are quite often confidential. Therefore, traditional organization charting solutions cannot be used to present confidential *data en masse*. The best we can do with traditional organization charting solutions is to restrict access to the charts by including only those “in the know” on our distribution lists.

Effective Web-based organization charting solutions not only centralize data and access, but also carefully restrict information views based on a user’s role. Further, by applying configurable access rules, access to information is accurately restricted at the granular level.

For example, a specific user might have access to salary information, but only for certain jobs in certain locations and under certain conditions. A condition might be an HR generalist relationship to the person being accessed. When security is employed at this level, only the most confidential metrics are presented.

Web-based organization charting solutions can manage security because the organization chart itself is an accessi-

ble Web function — existing as a data set within a database and not just a file on someone’s desktop.

### SECURITY BEST PRACTICES

Most often, robust data security is achieved within a system when it is centralized and simple to administer. For centralized organization charting, the very best security scheme is one inherited directly and automatically from the data source. The data elements presented within the charts are most often derived near-time from a higher data source. Most often this higher data source is an ERP, HRIS or similar database. These data sources must have a strong data security scheme or they cannot exist.

The best centralized organization charting systems literally “inherit” security directly from the ERP or HRIS. If HR generalists have access to a particular worker’s salary or personal information within the ERP system, they will also have this same access in the organization charting system. If this access is removed at the data source, it is also removed in the organization charting application automatically.

The organization charting system should share the authentication method used by the data source. By doing so, an authenticated user is passed seamlessly from the data source to the organization charting system — eliminating the need for separate user record maintenance.

These best practices are commonly employed by organization charting platform users, thereby allowing the platform to be used to visualize even the most sensitive HR analytics and metrics.

With a solid secure foundation, let’s look at some other examples.

### SALARY ROLLUP METRIC

Figure C summarizes employee salary expense by company, division and department. Salary rollup is usually reported separately for employees and long-term contractors — and is further broken out into direct salary, bonuses and other compensation line items that make up total employee compensation.

The cost of human capital is normally the largest single expense item for most organizations — and it is critical that executive management and line managers have visibility into their employee compensation budgets and current commitments. The Salary Rollup Metric forms the basis of many other reports and calculations, such as Cost to Manage, Performance to Budget, Product Line Profitability and many others.

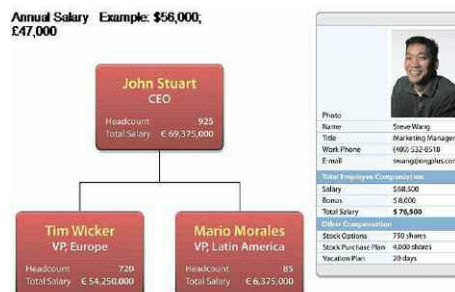


Figure C: Organization Chart Showing Annual Salary.

## PERFORMANCE METRICS

Performance Metrics communicate individual employee performance — as well as aggregate performance metrics and trends for each department, division and line manager.

Individual Performance Metrics are widely used to objectively measure employee performance against defined company, department and individual objectives. An employee's performance can be compared against other employees, and used to identify employees who are ready for promotions, raises or management rotation programs. Aggregate Performance Metrics for each department, division or line manager can be used to identify managers who create and foster high-performing teams, as well as those managers who may need additional training.

## BEYOND METRICS

In Figure D, we can see how the use of centralized organization charts can provide a natural user interface for the delivery of many kinds and types of critical and highly secure information. Now let us explore how we could use this platform to deliver truly “dashboard” type functions.

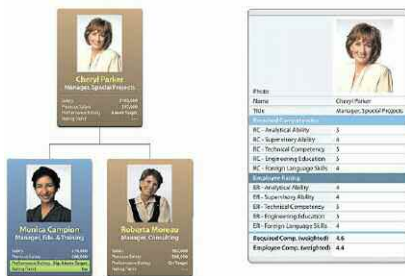


Figure D. The Natural User Interface of the Organization Chart.

One prominent U.S. services company uses an organization charting platform to ensure HR support goes to the departments that need it the most, not just to those that provide the highest volume of “activity.”

To do this, they employ the formula and conditional formatting features of their organization charting platform to deliver an “Early Warning System.” Simple in design, this application provides analytical data that would be difficult to convey by any other means.

## THE “EARLY WARNING SYSTEM” AT WORK

Five critical organizational metrics are calculated for customer contact organizations:

1. Turnover,
2. Worker performance reviews,
3. Absenteeism excluding paid time off,
4. Training compliance, and
5. Worker injuries including worker compensation claims.

Each of these five metrics is calculated historically as a monthly moving average. In essence, each department is being compared to itself over time. The current month is then compared to the moving average for each metric element. If the current month differs from the moving average by half of a standard deviation, a “yellow alert” is issued to the HR generalist supporting this department. If the current month differs from the moving average by one standard deviation, a “Red Alert” is issued to the supporting HR generalist. The alerts are delivered to the generalist via e-mail with a link to the chart for the target department.

These metrics are visualized within the HR generalist view of the organization via the organization charting platform. The “Manager’s Box” for all departments is green, yellow or red depending on the organization’s “Early Warning” status.

An Early Warning Alert does not necessarily mean that bad things are happening within the organization, only that a change has occurred, which merits an HR generalist review.

The Early Warning system was developed using the standard features of the organization charting platform and did not require an expenditure of millions of dollars or the investment of years in implementation.

## CONCLUSION

In conclusion, the implementation of a centralized, Web-based organization charting platform can provide a return on investment normally reserved for multi-million dollar dashboard systems, but at a fraction of the cost. It might be best to take a long look at these systems before investing heavily in an executive dashboard system. You might literally be better off to constrain your thinking to “within the box.”

## ABOUT THE AUTHOR



Jim Candler is the vice president of Product Strategy at HumanConcepts, developer of OrgPlus®, the leading software for intelligent organizational charting and workforce modeling. He has more than 25 years of experience in the HRIS industry, including 16 years in Global HRIS technology at FedEx. Candler also held senior positions with Workscape, American Presidents Line and Workday. He is responsible for ground-breaking projects including deployment of a 200,000-plus employee and manager self-service system at FedEx and the world’s largest employee portal at General Motors. Candler is also an award-winning author, speaker and former national board member for IHRIM.