Intelligent organizational charts

The power they give your company

Overview

Looking for a crystal ball that can predict your organization's future?
Organizational charts give you a clear visual of your people and possibilities.

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Introduction

Organizations today need to evolve rapidly in order to react to market risks and opportunities. These needs require a holistic, unified view of the workforce and the tools to quickly plan and execute future workforce scenarios.

Employees need a way to navigate the organizational structure, to understand their roles and to quickly find information and resources they need to be effective.

Most organizations rely on manual processes, which are disconnected and inaccurate, to create organizational charts. This is an expensive, imperfect and inefficient process.

New technology solves the problems of creating real-time, unified charts. It delivers analytics about the organization and its key performance metrics and provides intuitive tools to plan for the future – intelligent organizational charts.

This technology can provide a significant return on investment (ROI), by helping provide increased productivity and gives you the ability to proactively manage organizational plans to help reduce costs.

Most important, intelligent organizational charting technology enables companies to react more quickly to opportunities and threats as they arise. That benefit must be measured in opportunity cost terms, rather than traditional ROI.

The business challenge

Managing organizational change

In a turbulent global economy with rapidly evolving technology and fast-moving political and social trends, the ability of an organization to react to change is a key requirement to compete and survive.

Management must respond quickly to threats and opportunities and rapidly execute changing business strategy. To do so, managers need the ability to instantly assess how their employees are being used and to rapidly plan responses to changing market conditions.

At the same time, employees need to understand and navigate the changing company structure to effectively communicate, collaborate and plan.

There is a need for human resources to understand and track the key human capital metrics that affect business performance and risk, monitor changes and prepare the workforce for the future.

However, getting and maintaining a comprehensive view of the workforce can be a challenge. Basic employee information is often maintained in more than one system, while additional information supporting crucial business decisions is stored in solutions such as sales, cost center, performance management or succession planning systems.

Without a system for planning change, supported by relevant and accurate information, timely decisions about how to plan for and utilize human capital are often not achieved. Valuable time is wasted by employees who can't efficiently collaborate, and human resources is ill-equipped to manage or advise the executive branch on the greater human capital picture.

The problem with current systems

Organizational charts are the traditional tools for representing and managing the structure of an organization. But most organizations today are still challenged with the limitations of manual charts and don't have an automated system to create and manage them.

Current systems are characterized by:

- **Charts are created manually**
  Simple drawing software is still the most frequently used tool for creating charts. They're difficult to maintain and time-intensive to format, update and distribute. These simple tools aren't suitable for charts containing more than 30-50 employees.
- **Charts are inaccurate**
  Manual charts are usually outdated in a short period of time.
- **Charts are expensive to create and maintain**
  Because these processes are manual, they're expensive to create.
- **Chart data is simplistic**
  Because manual data is laborious, the resulting charts generally contain only the most basic information, such as employee name and title and don't contain additional employee information or overall branch or company analytics.
- **Chart data cannot be accessed**
  When data is not stored in an accessible database, it doesn't lend itself to analysis, navigation or reporting.
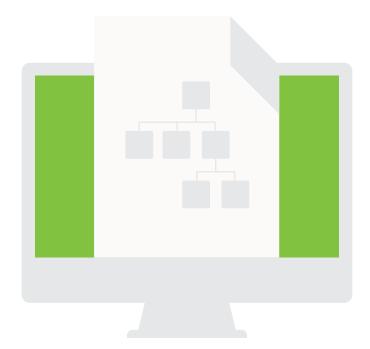- **Chart data is for visual consumption only**
  Output is typically a visual chart or printout; neither the software nor the data can be used for more than rudimentary planning or scenario building.

With these limitations, it's easy to understand why most companies have given up creating organizational charts or limp along with a semi-automated system that requires a high degree of management and manual intervention.

The solution

Organizations need effective, intelligent charting technology that can provide:

- A unified, real-time, secure and accurate view of the organization, incorporating information from different systems
- Insightful analytics regarding key business and human resource drivers
- An easy-to-use platform for planning and executing change, based on company goals and strategy.

Having a holistic view of your workforce makes it easier to make better business decisions and spur company wide growth.

Organizational Planning

Organizational planning helps you:

- Know your employees
- Learn how they're affecting your company's growth
- Align them to best realize your company goals

Obtaining a real-time view of the organization

- **Provides a holistic view**
  An HR system may contain all of the transactional data on employees, such as salary, tenure and location, but decision-making information is often stored in point solutions for sales, performance management or succession planning. This information needs to be consolidated with the HR system information to provide a holistic view of an employee or department for organizational metrics.

- **Represents all employees**
  In large enterprises, employee data is often stored in multiple databases or systems. Companies that have grown through consolidation or without a strong, centralized human resources information system (HRIS) often don't show outsourced employees, contractors, open positions or project teams in the source system. They may exist only in a spreadsheet or offline system. An intelligent organizational charting system is able to merge data structures for a single unified view.

- **Allows validation of data**
  Making data available to relevant employees provides an opportunity to discover and correct bad data. Common examples include incorrect reporting relationships, employees no longer with the company, incorrect job titles and other information. Distributing the organizational chart results in much cleaner data, as the problem of validation and correction is taken care of at the source. Organizations converting to this new system find that collecting, validating and uploading information is significantly shortened and enhanced using an organizational charting system.

- **Provides access to information**
  On-demand information and accessibility to key performance data where employees can drill down through the organization and zoom in on specific areas, search criteria and filter lists.

- **Provides collaboration of information**
  Share plans for workforce changes and easily analyze data for organizational restructures and future growth plans. Work within a sand-box environment to create and share what-if scenarios and review with business stakeholders for feedback and approval.

- **Analyze data for compliance criteria**
  Organizations need to be able to evaluate structure for compliance purposes. Being able to visually assess division of responsibilities, reporting relationships and chain of command are achieved with intelligent organizational charts.

The rich analytics of workforce data

In addition to being able to navigate and search HR data, intelligent organizational charts provide integrated reporting, metrics and analysis. With this functionality, managers can study and seek to understand areas of risk or opportunity.

- Integrated reporting
- Workforce metrics
- Risk management
- Opportunity information

Identify risk

An effective approach to establishing an "early warning system" to help identify business risks is to create a series of views in the chart. Developing views with calculated ongoing operational metrics that roll up into departments helps monitor compliance deviation, succession risks and other potential organizational red flags.

Metrics such as turnover, performance reviews, absenteeism, training compliance and workers' injuries can be displayed via the charting platform. The early warning system can be developed using the standard features of an intelligent charting system for a fraction of the time and cost to implement generic business intelligence solutions.

Reveal opportunities

Metric reporting capabilities are used to avert risk as well as identify opportunities and plan for change. A succession plan analysis, for example, may include highlighting open positions based on certain criteria, the bench strength of nominated candidates, and gaps between base position competency and the nominees' competencies.

Merging HR data into one secure platform enables companies to assess their workforce effectiveness in detail and from every type of hierarchy, including geography and cost center. From basic headcount and salary to more sophisticated metrics, such as span of control and succession planning reports, an intelligent organizational chart can provide the knowledge necessary to drive smart decisions, leading to reduced risk, and higher productivity and effectiveness.

There are high-performing people within your organization who you can trust to help your company thrive. You just have to find them. Learn how to determine which employees are really going above and beyond in **Pinpointing Your Company's Key Players**. Download this free guide today.

A superior platform for charting
Organizational charting software understands hierarchical data, such as the meaning of a manager or co-manager, a branch, a subordinate, an assistant, a dual reporting relationship, a peer or a level. This makes calculations easy.

For example, calculating average salary for all non-managers between levels 3-7, in branches 1-2, excluding assistants or contractors, but including part-time employees, is simple using an intelligent organizational charting solution.

Platform for planning and managing change

An organizational chart represents the configuration of human capital to meet organizational objectives. When these objectives change, it's likely that the organizational chart needs to change as well. The technology platform not only provides real-time information, but also the tools for planning and making decisions.

HR departments routinely establish metrics that provide information on key performance areas like average salary, tenure, gender and diversity, turnover, absenteeism, productivity, competencies or readiness.

A true workforce planning system goes further, however, and gives HR professionals and managers the ability to establish and monitor key performance indicators (KPI) based on scenarios for which they're planning.

This enables managers to establish a set of constraints or a dashboard that dynamically updates as the planning process evolves, indicates when a threshold or constraint has been reached, and keeps the planning process within established parameters or goals.

A planning platform can allow companies to:
- Take a snapshot of the current organization
- Create constraints and goals for planning activity
- Create scenarios in collaboration with stakeholders
- Update personnel changes during the planning process
- Compare scenarios and help identify risks or conflicts

Measuring return on investment

Direct savings of intelligent organizational charts

The intelligent organizational chart is a powerful communication and planning solution that drives workforce productivity. Beyond showing just a name and title, intelligent organizational charts provide visual communication of workforce information, visual access to HR metrics, and they can serve as an electronic platform for planning and executing workforce change.

Automated chart creation and distribution

Automation of the charting process results in considerable cost savings by eliminating the need for manual data gathering and chart creation. Manually created charts are never entirely accurate, since change often occurs during the collection and creation process.

See example on next page.

Automation allows secure access to up-to-date information through an employee portal or company intranet on demand. The labor and print costs of manual distribution are eliminated. Unlike paper or static charts, role-based and individual security levels restrict employees' access to sensitive information.

Increased employee productivity

Employees and managers are more effective and efficient when organizational charts and HR data are available at their fingertips. Experience shows significant cost savings when employees can instantly access corporate directories, profiles, chain of command, workgroups, peers, new employees and other organizational information. Powerful search, filtering and grouping features make it easy to find and communicate with any employee or group with a certain attribute, such as job title, skill set or location.

Enhanced data accuracy

Making HR data more visible improves its accuracy and value. Providing an efficient mechanism to report and correct inaccuracies may translate into significant cost savings.

Analytics platform for managing risk and opportunity

Having an intuitive view of the workforce, together with a visual analytics and planning platform, gives HR departments the ability to support executives and other stakeholders with the tools they need to drive and execute business strategy. Preparing analyses using spreadsheets or database tools is time consuming, and understanding the output is even more complex.

The analytics functionality in an intelligent organizational charting system includes the ability to:

- Format boxes based on either visible or underlying data. For example, all employees earning more than a certain amount, or all contractors, can be highlighted. This makes it easy to spot trends or clusters of data, or to quickly drill down to an employee or branch that is skewing specific metrics or averages.
- Perform complex roll ups and calculations based on chart data. Hierarchical data has specific attributes not found in tabular data, and being able to easily operate on such data increases the ability to understand and manage the information.
- Drill down, navigate, zoom or pan on any part of a chart.
- Access extended information on any employee via hotspots, reports or profiles.

Reduced planning time; better planning process

ROI can be measured from direct savings resulting from automating manual planning processes. Opportunity cost savings can result from shortened planning cycles and faster reaction time to critical business decisions.
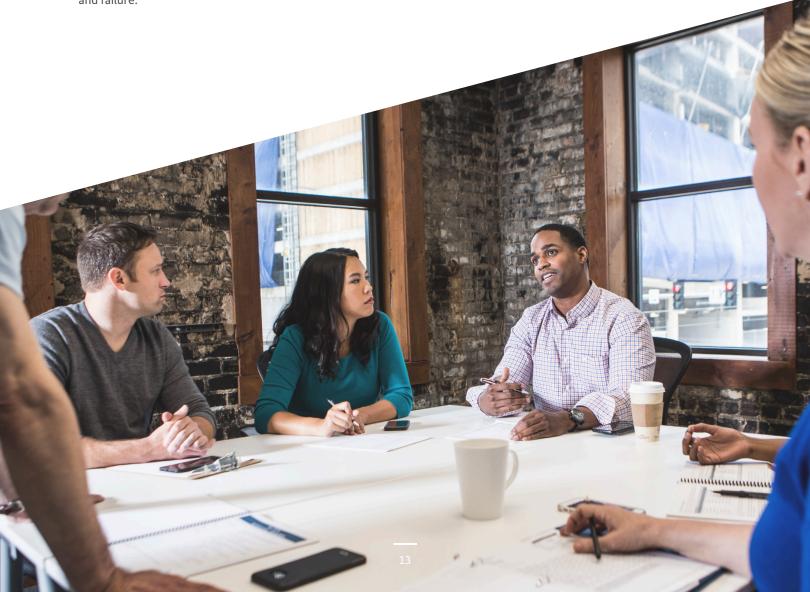
Indirect benefits: shortened planning cycles, faster reaction time

While initial savings from automating business processes is readily apparent, user experience shows that the greatest benefit to an organization comes in the area of opportunity cost.

Opportunity cost presents itself when an organization is able to rapidly adapt to a new market condition, whether it's an opportunity or a threat. Circumstances that prompt a company to reflect upon its structure are more often than not mission-critical to the organization's health, if not its survival. Typical examples are new business opportunities and initiatives, organic growth and acquisitions or reorganizations and downsizings. In these cases, time is of the essence.

Whether companies must react to a competitive threat by ramping up a product team or moving swiftly to cut costs and reorganize in the face of major losses, lost time means lost opportunity. It can spell the difference between success and failure.

Organizational management tools can help

Insperity® OrgPlus® RealTime Professional
Visualize, strategize and optimize your workforce online

Insperity OrgPlus RealTime is a cloud-based organizational management solution that empowers businesses to strategically plan, refine and analyze their entire workforce to make more informed, collaborative decisions and better adapt to organizational change.

Features

- Accessibility anytime, anywhere with role-based security that allows employees access to only those features they need
- The ability to track and measure key employee metrics such as performance rating, compensation, budget and headcount
- Insight into how workforce changes can affect your organization
- A way to easily and effectively manage changes under a merger or acquisition
- In-the-cloud infrastructure with no desktop hardware, a limited initial investment and online access using a variety of compatible web browsers

Insperity OrgPlus RealTime Express
Build and present your organizational framework

Keep it simple and keep it secure. Cloud-based organizational management combined with simple, fast, presentation quality org charts make OrgPlus Express the easiest way to chart your employees and print or publish them to PDF, PowerPoint, Excel or HTML.

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- Includes two users
- Upgrade to our Professional Edition at any time

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