OrgChart

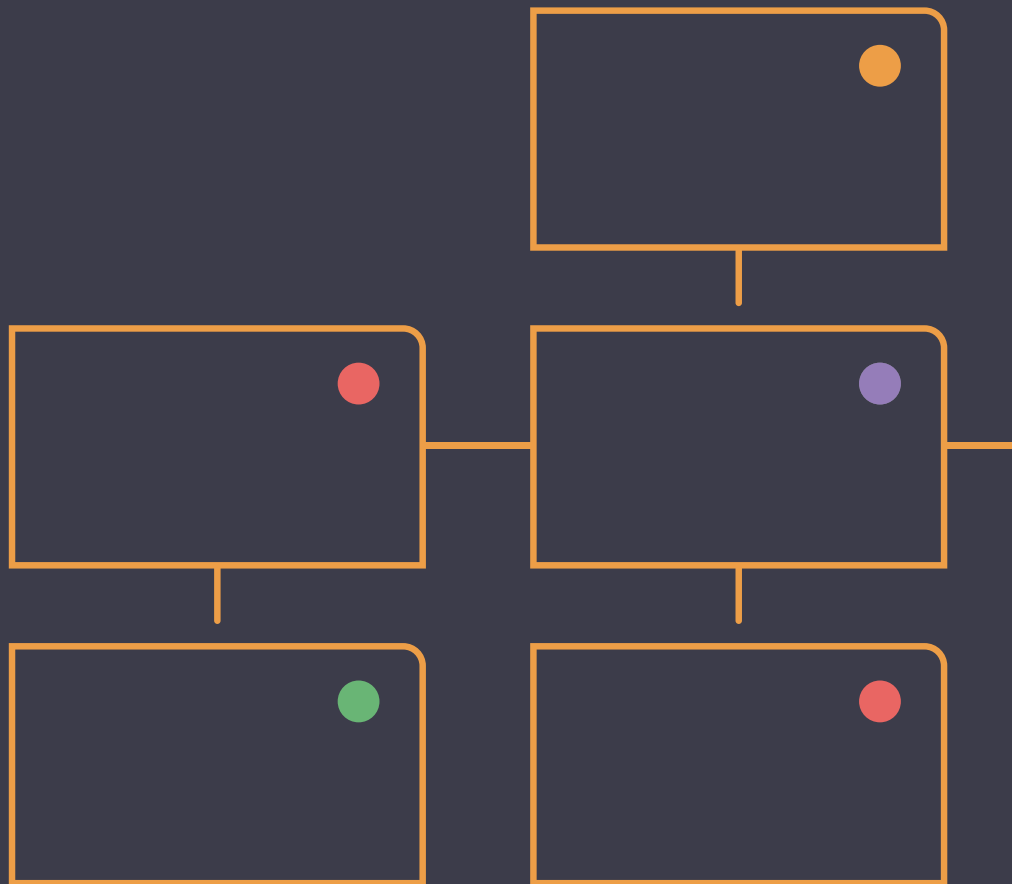# Strategic HR Leadership

Navigating the Future With Data-Driven Insights and Workforce Planning

HR leaders are tasked with more than ever – regularly providing information about current headcounts and reporting structures, tracking DEI metrics, talent budgets, and planning for future headcounts across many departments, among dozens of additional critical responsibilities.

Organizations that have a comprehensive view of their workforce data are strategically positioned to face ongoing and future challenges and continue to be a pivotal part of the business. Yet getting a bird's eye view of the organization's data across these strategic categories is challenging.

While all of the information to answer the endless questions posed to HR professionals exists, it's stuck inside the HRIS and requires time to retrieve it.

According to a **survey** by Accenture, 70% of organizations are increasing their investments in talent analytics, yet only 21% of HR leaders believe their organizations are effective at using this data to inform business decisions. Without data easily accessible to leaders across the organization the business is at risk for headcount and compensation mistakes, mis-aligned location strategies, and lack of career progression for high-valued employees.

As organizations grow and mature, the complexity of their data also grows, requiring more sophisticated systems to manage this information. How do today's top performing HR teams keep up with their multitude of responsibilities, improve their team's performance, and plan for the future? How do they contextualize and organize the way they think about, analyze, and report to make sure the vast amounts of information align with larger business goals and long term plans? How can HR organizations function at their highest level?

In our research, HR professionals' responsibilities overwhelmingly fall into one of three categories: visibility, insights and analytics, and future workforce planning. Organizing the vast amounts of HR information into these three categories creates a context within which leaders can understand how the business operates in the present and plan for the future. Thinking about data in this framework can accelerate an HR function along its maturity path as the team and leaders continue to grow and scale.

Building HR for the Future

Visibility

Allows leaders across the organization to view teams, see how each team connects to the rest of the business, and identify ways to reduce skill overlaps and increase opportunities for collaboration and expansion.

Insights and Analytics

Provide the correct metrics and stories to allow leaders to make informed decisions.

Future Workforce Planning

Empowers leaders to consider the future structure of the organization in collaboration with key stakeholders to articulate a clear vision.

What Is HR Maturity?

Maturity models were first used in the late 1980s by computer scientists as a way to improve their software design processes. Since then they've been used in almost every industry and business function to describe the evolution of best practices.

Maturity models outline stages of growth, from an initial low-level competency (which may include ad hoc programs and little consistency) to fully optimized programs that run like well-oiled machines. In HR, an organization at the lowest maturity stage might have few formal processes, no clear owner

of data, and no regular reporting. Organizations at a mid-stage have an established HR department, processes for talent tracking that are documented and consistently followed, and regular reporting to stakeholders. Companies at the highest level of maturity have formal HR processes, clear data ownership, and centralized data storage, as well as advanced, predictive reporting.

Let's consider how to organize information and elevate HR within your company.

▶ **Not every organization will have the resources to achieve the highest level of maturity, but all organizations can pursue continuous improvement of their function.**

Visibility

HR professionals must capture, manage, and present information about their organizations' most valuable resource – people. They also must allow a range of stakeholders to easily consume and share that information to make strategic decisions. We broadly call this set of responsibilities "Visibility," and it is at once a central and endlessly challenging part of the HR professional's role.

At the most foundational level, HR professionals are responsible for showing and communicating the current state of the organization, including reporting relationships, functional areas and responsibilities, compensation, geographic location, titles, headcounts per department, average tenure per team, and even employee photos.

Through this work and its outputs, HR professionals provide visibility into the departments, geographic locations, and individuals across the organization.

While 88% of HR leaders recognize the importance of increasing this visibility, only 52% are taking action to make it happen, according to a Deloitte **report**.

> ▶ **According to Deloitte's report, 86% of leaders say the more transparent the organization is, the greater the workforce trust.**

Benefits of allowing the appropriate access for each person in the business include:

Clarity on roles: Understanding who is on the team helps managers define roles for each person, delineating where responsibilities begin and end, and where collaboration is important. At the organization level, it helps leaders do the same – understanding which teams have the resources and skills to take on larger or more complicated projects and which may be stretched thin.

Accountability: Transparency fosters an environment where actions and decisions are open to review, evaluation, and discussion. Visibility motivates people to uphold their responsibilities and strive for improvement.

Timely decision-making: Knowing the structure of the organization and reporting lines helps ensure information flows smoothly and reaches the right people quickly. This reduces time wasted in finding the correct points of contact. Transparency also helps different departments and teams understand each other's functions and how they interrelate, which improves collaboration and consensus-building, leading to faster decisions.

Non-traditional and dotted-line reporting structures: Visibility ensures everyone understands the complexities of these connections, including who their direct and indirect supervisors are and how their roles intersect with others.

Improved morale: When employees feel trusted with the sharing of information, they feel valued.

Typical requests they receive include:

- Can you provide an updated org chart for the marketing department?
- How does the dotted-line reporting structure in IT impact its leadership capacity?
- What is the contractor-to-part-time employee ratio of this team?

Steps companies can take to increase transparency:

1. Make information easily shareable within teams, not just from leadership down.

2. Increase regular communication. Whether weekly team meetings or monthly company-wide All-Hands, a routine cadence assures employees that discussing important issues and addressing change are priorities for leaders.

3. When possible, automate systems so that information is updated in real time, for example, reporting relationships, title changes, and the addition of new employees.

> ▶ **Transparency in HR builds trust with employees, who feel more valued and informed about organizational decisions and changes.**

What prevents organizations from offering visibility across its workforce?

Traditionally, HR information was held by HR leaders and company executives, who often worried too much transparency would result in breaches of confidentiality. Companies may also fear shared information will make its way outside company walls, unwillingly spreading data about headcount, DEI, and organizational structures that could be harmful to its market position or competitive strategy. In an effort to keep private information private, organizations often take it to the extreme. Of course, HR has a responsibility to adhere to legal and compliance guidelines, but it's a mistake to believe all HR information should be locked. Transparency is not radical disclosure; rather, it's turning the lights on for the company as a whole, while keeping confidential information confidential.

Appropriate levels of transparency play a crucial role in helping an HR function mature along an HR Maturity Model, and increased visibility is a key driver in advancing an HR function's maturity. It supports the development of a more strategic, data-driven, and employee-focused HR function, ultimately contributing to the overall success and growth of the organization.

Maturity of HR Visibility in Organizations

Low Maturity

At this stage, processes and roles are often loosely defined. Transparency can help by building trust among leaders.

Medium Maturity

By this stage, the HR function is more organized and consistent. HR processes are well-defined and documented. Transparency can help by standardizing policies and procedures, making sure all employees have access to the same information, which leads to the consistent application of HR practices. Transparency also facilitates compliance with legal and regulatory requirements.

High Maturity

At the highest level of maturity, transparency in HR helps develop a culture of openness and continuous feedback, essential for ongoing innovation and improvement. Transparent communication about how the organization's people contribute to company success enhances employee engagement and motivation.

Insights and Analysis

Insights and analysis are a breakdown of organizational data including budget, headcount, DEI, and location information. HR professionals serve as sense-makers of this data. It's their job to transform numbers into insights so leaders can make informed decisions of where to invest time and resources and the projects to prioritize. For example, 51% of DEI leaders report that business leaders' failure to take ownership of DEI outcomes is a major challenge, according to a Gartner **survey**. Using data to help outline this problem can lead to a solution.

When thoughtfully designed and executed, data insights provide an unparalleled construct for deep, sophisticated, and actionable information about the business. These insights bring objectivity to decisions and remove emotional and personal biases. They allow HR professionals to benchmark critical talent metrics with other organizations of a similar size, in the same industry or geography, or other competitors for talent. Insights and analysis also enable HR to set goals for attracting, hiring, and retaining top talent and track progress to those goals. It's not always easy, however.

Common requests for insights and analysis include:

- Please run a DEI report for each department.

- How is pay distributed across the marketing function? How do the actual compensation totals compare to budgeted?

- What is the average employee tenure on our product team?

Deeper Insights Into HR Data Drive Business Results

Aggregating, analyzing, and activating vast amounts of people-related data require the tools to collect it and the experience to tell the related story. Sharing these insights with leaders helps them see a picture of the organization – the people that make up the teams and departments and company as a whole. Executives can create a strategy, but the people execute it.

Three areas in which data and insights drive business results:

1. Compensation

By having accurate and up-to-date information on compensation trends in the market, companies can offer competitive salary packages. This helps attract top talent and reduce turnover, ensuring that the organization has the skills and expertise needed to drive business success. Accurate compensation data also allows for precise budgeting and financial planning. Companies can forecast salary expenses, allocate resources effectively, and avoid overspending.

With a clear understanding of compensation costs, businesses can make informed decisions about where to invest in human capital, such as in critical roles or departments that drive innovation and growth. Timely compensation data also enables performance-based pay structures. By linking compensation to performance metrics, companies can incentivize high performance and align employee goals with business objectives.

2. Diversity, Equity, and Inclusion

Diversity, Equity, and Inclusion (DEI) data allows organizations to develop informed strategies that address gaps and opportunities within the workplace, leading to more effective DEI initiatives. Companies that actively use DEI data to foster an inclusive culture are more attractive to talent, which can enhance recruitment efforts and reduce turnover. Inclusive teams are often better at problem-solving due to their varied experiences and viewpoints, leading to more effective solutions and business outcomes.

Accurate DEI data also ensures compliance with legal and regulatory requirements related to anti-discrimination laws, reducing the risk of legal issues. Organizations can use DEI data to benchmark against industry standards and best practices, striving for continuous improvement in their DEI efforts.

3. Employee Location

Employee location information can enhance operational efficiency and improve resource allocation which enables better decision-making, and supports compliance and risk management. Understanding employee locations can help manage overhead costs, such as office space and utilities, by potentially reducing the need for large office spaces if a significant number of employees work remotely.

Different locations also may have different labor laws and regulations. Accurate data about employee locations ensures compliance with local employment laws, tax regulations, and reporting requirements. Understanding the geographic distribution of employees can help tailor recruitment strategies to tap into local talent pools and retain employees who prefer or need to work in specific locations. Finally, in case of natural disasters or other emergencies, knowing the locations of employees is critical for ensuring their safety and maintaining business continuity.

Accurate HR-related insights and analytics are instrumental in advancing companies along each stage of the HR Maturity Model. By providing data-driven support, these insights enable more strategic and informed decision-making across all levels of HR processes.

Accurate HR-related insights and analytics are essential tools that support the evolution of HR functions from reactive to strategically integrated. This progression not only enhances the effectiveness of HR but also contributes significantly to achieving broader organizational goals. Collecting insights from across the organization breaks down the silos and enables leaders to look at the talent and skills of the company as a whole.
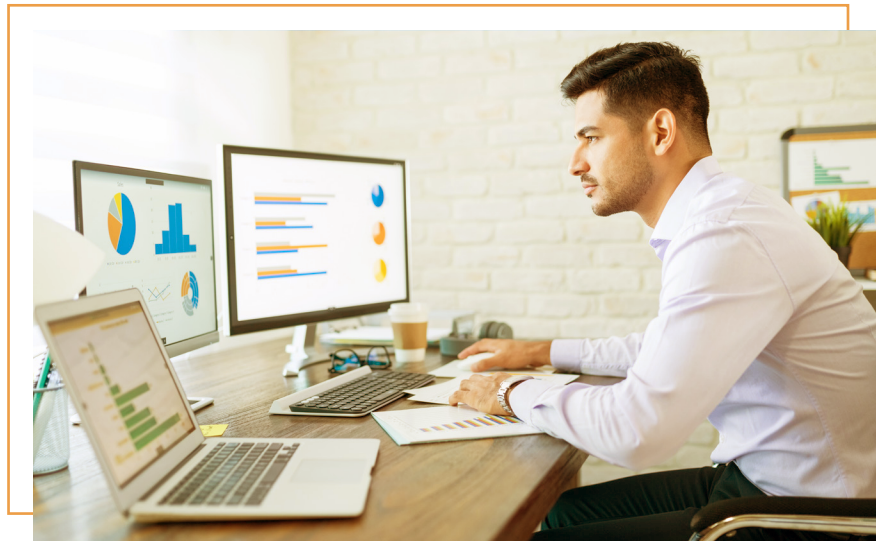
Maturity of HR Insights and Analysis in Organizations

Low Maturity

At this foundational stage, accurate analytics can quickly identify patterns in employee turnover, absenteeism, and other HR metrics allowing companies to address issues before they escalate.

Medium Maturity

As HR practices become more organized and policies are standardized, analytics help to refine recruitment, onboarding, and other processes by showing what works and what doesn't, making HR efforts more effective. Insights and analysis also help monitor compliance. Ensuring that all practices meet legal requirements and internal standards becomes easier with data to support audits and reviews.

With well-defined HR policies and practices, analytics also enable enhanced analysis of employee performance and career trajectories, helping to tailor development programs and optimize performance reviews. Insights from data also assist in forecasting staffing needs, identifying skill gaps, and planning for future workforce requirements.

High Maturity

At this stage, HR is fully integrated into strategic planning and operations. HR uses detailed metrics to manage operations quantitatively. Analytics can predict trends and model potential scenarios, such as the impact of growing or reducing the size of teams. Analytics also guide decision-making on where to allocate resources for maximum impact, such as which training programs yield the best ROI.

Analytics ensure that HR strategies continuously align with business objectives, adjusting as necessary to meet changing business needs. Advanced analytics can also monitor and improve elements like organizational culture and employee engagement, crucial for retaining talent and driving business success.

Future Workforce Planning

A third core responsibility of HR professionals is to prepare the organization for the future. Yet, according to **Gartner** research, 67% of leaders say their organization is not effective at using data in workforce planning.

This requires HR professionals to have an informed view of the current state, rigorously analyze multiple data sources, and model the financial and operating impact of strategic decisions. HR leaders must carefully consider numerous factors such as market dynamics, competitive demands, macro-economic trends, and DEI.

In fact, to prepare for the future, 45% of companies around the world are assessing employees for agility, adaptability, and digital skills, according to a survey by **Aon**. Rapidly evolving technology requires new, updated skills. Increasingly, companies are sourcing talent from all around the world to meet these skill demands, thereby introducing remote and hybrid locations. Without relevant data, HR teams risk seeing incomplete or incorrect views of the people currently in place.

By systematically using HR information in these ways, companies can make informed decisions about where to source future skills, whether through developing internal talent or recruiting externally. This strategic use of HR data ensures that the workforce remains agile, competent, and aligned with the evolving business landscape.

Typical workforce planning requests they receive include:

- Can I see the succession planning across each department?
- The growth product team needs to model a 10% reduction in force for next quarter.
- Can you recommend changes to our management structure to improve our effectiveness?

In future workforce planning, it's necessary to collaborate with department leaders to:

1. Understand roles and skills of the current organization.
Companies must first conduct comprehensive skill audits which can then be aggregated to provide an overall picture of organizational capabilities. Once existing skills are mapped, HR data can help identify gaps between the current skill sets and those required to achieve future business goals. This identifies areas where training, hiring, or redeployments are needed.

2. Define the roles and skills necessary to meet the business objectives for the next 12-48 months.
Companies can leverage HR data to make sure the workforce is aligned with future business strategies and prepared to handle upcoming challenges. Data can define what roles will be crucial for achieving business objectives and what specific skills, competencies, and experiences these roles will require.

3. Decide where future skills can come from existing talent (via training and upskilling) and where roles will need to be opened for new team members.
Once skill gaps and role requirements have been identified, HR leaders can assess the feasibility of upskilling existing employees. Consider factors like learning curve, time required to train, cost of training, and employees' career aspirations and adaptability. For skills that are deemed too complex to develop in-house within the required time frame, or where there is a strategic advantage in acquiring new talent (such as bringing in fresh ideas or advanced expertise), plan for external recruitment.

Future Workforce Planning and HR Maturity

As the HR function matures, its capability to predict and shape the future workforce in alignment with business needs also evolves. Each stage of the HR Maturity Model represents a step towards a more strategic and predictive approach to workforce planning. By the time an organization reaches the highest stage, HR is expected to not only respond to current and future workforce needs but also actively influence and drive business strategies through its workforce decisions.

Maturity of HR Future Workforce Planning in Organizations

Low Maturity

At this stage, workforce planning is mostly ad hoc and unplanned. It involves filling positions as they become vacant and responding to urgent staffing needs without a strategic framework. Companies have basic tracking of employee data and headcount, but little to no use of predictive tools.

Medium Maturity

Here, HR starts to undertake systematic workforce planning with a mid-term focus. This involves identifying key roles and building a talent pipeline to ensure these roles are covered. Skills audits are conducted to identify gaps and more sophisticated analytics are employed. There is an emphasis on improving recruitment processes and reducing turnover rates.

High Maturity

In this final stage of maturity, workforce planning is proactive and deeply integrated with the business strategy, helping to shape business decisions. It includes succession planning, global talent management, and strategic initiatives like diversity and inclusion. Continuous feedback loops are established to refine workforce strategies dynamically. HR uses predictive analytics and modeling to anticipate future trends and needs. There is a strong focus on developing existing employees and attracting top talent for strategic roles. Planning integrates workforce demographics, skill gaps, and future business scenarios. HR begins to tailor programs for high-potential individuals and critical roles.

Conclusion

Transparency in HR data, insights and analysis, and future workforce planning are foundational elements that enable HR organizations to evolve into mature, high-performing teams. Each of these three components – Visibility, Insights and Analytics, and Future Workforce Planning – play a crucial role in transforming HR from a traditional support function into a strategic business partner.

Transparency about HR data builds trust with management and employees. When HR data is accessible and transparent, it enables more informed decision-making at all levels of the organization. When the workforce believes decisions are made based on accurate and fair information, it enhances HR's credibility and authority within the organization.

Sophisticated analysis of HR data allows for prioritization of initiatives based on empirical evidence rather than intuition. This includes everything from recruitment and retention strategies to compensation models and performance management systems.

Future workforce planning ensures that the organization has the right people in the right places, at the right times. Effective workforce planning helps HR allocate resources more strategically, whether it's investing in employee development, recruiting for hard-to-fill positions, or planning for demographic shifts in the workforce. This alignment is crucial for meeting future business challenges and capitalizing on new opportunities.

> ▶ **As HR departments leverage transparency, data-driven insights, and workforce planning, they position themselves as indispensable strategic partners in the organization's success and sustainability.**

The integration of transparency, data insights, and workforce planning propels HR departments towards maturity and high performance:

Strategic Integration
These elements help integrate HR strategy with business strategy, ensuring that HR initiatives directly support business goals.

Adaptability and Agility
Together, they enhance HR's adaptability and agility, enabling quick responses to internal changes and external market forces.

Culture of Continuous Improvement
They foster a culture of continuous improvement, with ongoing data analysis and feedback loops informing HR practices.

These three capabilities transform HR departments into strategic entities that not only tackle administrative tasks but also drive business results through effective management of the organization's most critical asset: its people.

HR Information Maturity

	Low Maturity	Medium Maturity	High Maturity
Visibility	At this stage, processes and roles are often loosely defined. Transparency can help by building trust among leaders.	By this stage, the HR function is more organized and consistent. HR processes are well-defined and documented. Transparency can help by standardizing policies and procedures, making sure all employees have access to the same information, which leads to the consistent application of HR practices. Transparency also facilitates compliance with legal and regulatory requirements.	At the highest level of maturity, transparency in HR helps develop a culture of openness and continuous feedback, essential for ongoing innovation and improvement. Transparent communication about how the organization's people contribute to company success enhances employee engagement and motivation.
Insights and Analytics	At this foundational stage, accurate analytics can quickly identify patterns in employee turnover, absenteeism, and other HR metrics allowing companies to address issues before they escalate.	As HR practices become more organized and policies are standardized, analytics help to refine recruitment, onboarding, and other processes by showing what works and what doesn't, making HR efforts more effective. Insights and analysis also help monitor compliance. Ensuring that all practices meet legal requirements and internal standards becomes easier with data to support audits and reviews. With well-defined HR policies and practices, analytics also enable enhanced analysis of employee performance and career trajectories, helping to tailor development programs and optimize performance reviews. Insights from data also assist in forecasting staffing needs, identifying skill gaps, and planning for future workforce requirements.	At this stage, HR is fully integrated into strategic planning and operations. HR uses detailed metrics to manage operations quantitatively. Analytics can predict trends and model potential scenarios, such as the impact of growing or reducing the size of teams. Analytics also guide decision-making on where to allocate resources for maximum impact, such as which training programs yield the best ROI. Analytics ensure that HR strategies continuously align with business objectives, adjusting as necessary to meet changing business needs. Advanced analytics can also monitor and improve elements like organizational culture and employee engagement, crucial for retaining talent and driving business success.
Future Workforce Planning	At this stage, workforce planning is mostly ad hoc and unplanned. It involves filling positions as they become vacant and responding to urgent staffing needs without a strategic framework. Companies have basic tracking of employee data and headcount, but little to no use of predictive tools.	Here, HR starts to undertake systematic workforce planning with a mid-term focus. This involves identifying key roles and building a talent pipeline to ensure these roles are covered. Skills audits are conducted to identify gaps and more sophisticated analytics are employed. There is an emphasis on improving recruitment processes and reducing turnover rates.	In this final stage of maturity, workforce planning is proactive and deeply integrated with the business strategy, helping to shape business decisions. It includes succession planning, global talent management, and strategic initiatives like diversity and inclusion. Continuous feedback loops are established to refine workforce strategies dynamically. HR uses predictive analytics and modeling to anticipate future trends and needs. There is a strong focus on developing existing employees and attracting top talent for strategic roles. Planning integrates workforce demographics, skill gaps, and future business scenarios. HR begins to tailor programs for high-potential individuals and critical roles.

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Carolina F.
Sales Operations Lead

"OrgChart is taking our very manual org chart creation and making it easier to make changes. We were also able to easily add the new photos we took of all employees."

Jacqueline W.
Mid-Market (51-1000 employees)
Sales Operations Lead

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