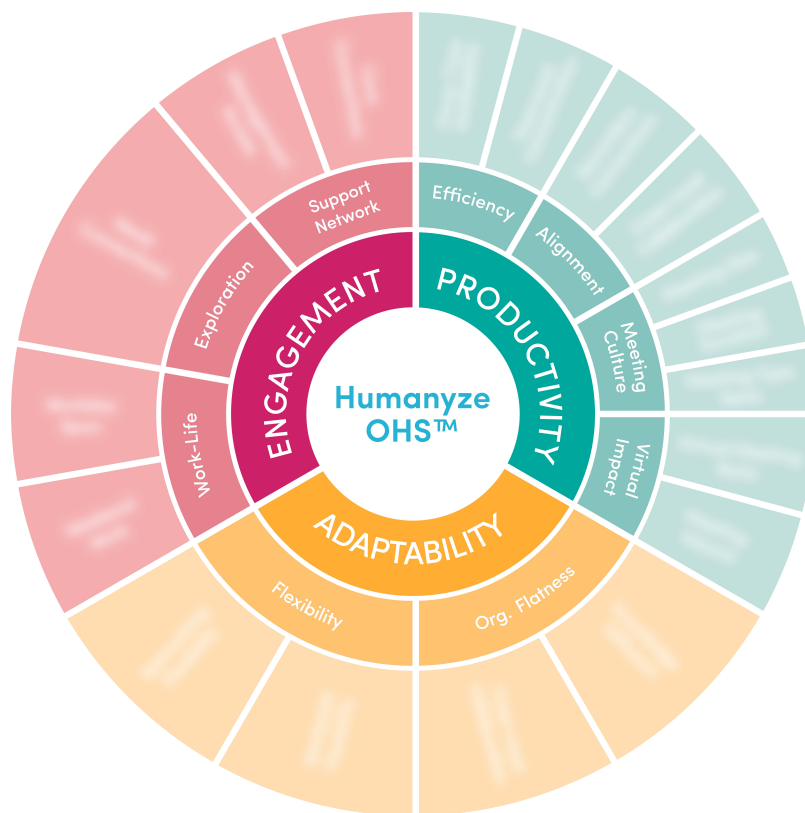


January 2021

Measuring Organizational Effectiveness With the Latest in Workplace Analytics



Author(s):

Dr. Ben Waber, PhD.

Humanyze President & Co-founder

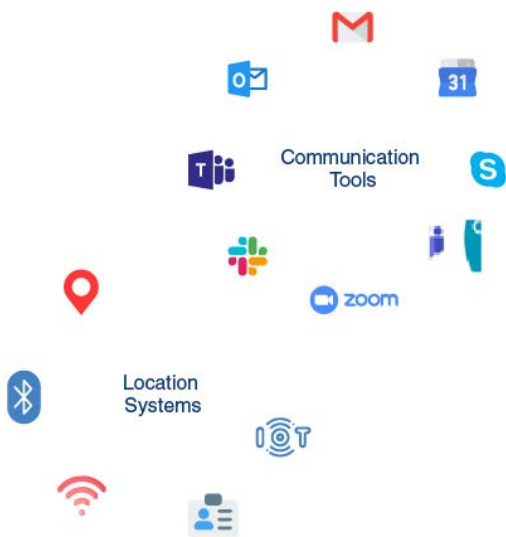
Measuring Organizational Effectiveness with the Latest in Workplace Analytics

Author: Ben Waber, PhD

Measuring the effectiveness of an organization, its people, facilities, and systems has been a long process filled with years of testing hypotheses and millions of dollars lost in ineffective changes and trials. Predicting how all or some of these come together to yield better results is generally measured by looking at the long-term financial success of a company. But what if we could quickly understand the effects of new strategies and effectively enact, or course correct, initiatives to affect positive change and outcomes? [Research shows](#) that successful companies are ones that prioritize people and their experience in the workplace to drive sustained organizational performance. When we prioritize people and their needs we lead the way for better collaboration which is a significant predictor of engagement, productivity, and innovation. With this in mind, what if we could ensure that all strategies, from real estate to people and system decisions, enable better collaboration?

The explosion of data around how we work has made it possible for us to understand, measure, and enact strategies to improve organizational effectiveness. However, this explosion has also led to an overwhelming number of data-points that make it almost impossible to know where to find relevant insights and drive action. The field of workplace analytics organizes and interprets this data for better informed decisions in order to quickly reveal their impact on employees and the business.

Humanyze, a leading provider of workplace analytics solutions, developed a unique method to measure organizational effectiveness with benchmarks, indicators, and actionable metrics. They offer the only workplace analytics solution powered by informed metrics and algorithms that are based on decades of academic research and more than 20 billion workplace interactions. This solution allows companies to have a comprehensive view of the workday by integrating data from all the leading collaboration tools and smart office sensors.

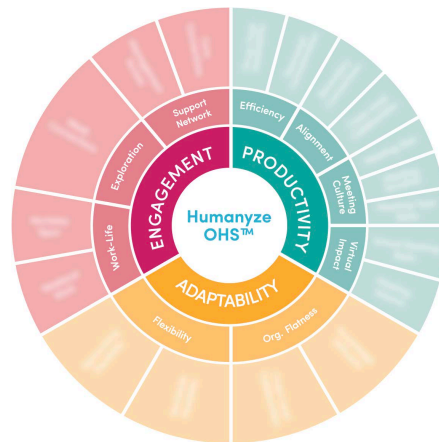


The Humanyze Organizational Health Score™ (OHS), a unique AI-based solution, allows corporations to understand trends in collaboration while measuring against benchmarks and indicators based on best practices and industry norms. With this information, leaders are able to see company-wide trends over time allowing them to make more informed management decisions and proactively identify areas for improvement. This enables them to pinpoint interventions and rapidly iterate to identify tools, processes, and practices that demonstrably impact the effectiveness of an organization which drives positive financial performance. With OHS, leaders are now able to understand which areas of the business are functioning in optimal ways and which may need more support. In order to stay competitive, companies must leverage these types of insights, as past success is no guarantee that all is well, nor are past failures an indication that the entire culture needs to be upended. In the long term, prolonged excellence in one area is impossible without addressing gaps.



Understanding OHS

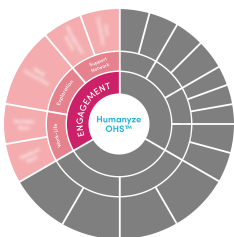
The Humanyze Organizational Health Score™ (OHS) provides leaders with a macro view of an organization's effectiveness through the lens of collaboration. This score is an average based on leading indicators and metrics grouped into three main categories: **Engagement**, **Productivity**, and **Adaptability**. Each category receives an average between 0-10 that is based on aggregated scores for every indicator and metric in that respective category. Category averages are high-level views of where an organization stands, while the indicator and metric scores provide granular, actionable insights around specific areas needing attention. These scores help leaders easily gauge the current state of their organization as well as where there might be risk to business objectives in the future. By continuously observing changes and trends over time, managers can ensure that any new strategy is having desired results and, if not, quickly dive deeper to identify what is moving in the wrong direction.



This solution can also be leveraged alongside surveys and business KPIs to help companies connect the dots between collaboration trends, self-reported insights, and business outcomes. OHS is validated by peer-reviewed scientific research based on Organizational Network Analysis (ONA), which allows Humanyze to deliver a solution that is easy to understand and trust. All Humanyze solutions are built with privacy in mind. No identifying information or content is ever collected and their solutions are CCPA and GDPR compliant.



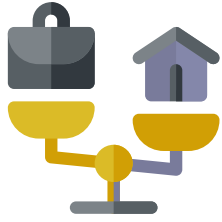
Behavioral Categories and their Metrics and Indicators



CATEGORY: ENGAGEMENT

When employees are truly engaged, their work is better and the organization itself becomes a better place to work. This concept of engagement, while often thrown about as an amorphous, catch-all term, has gained currency recently as an essential aspect of management. While **Engagement** is an umbrella category, there are a number of specific metrics and indicators that can help organizations understand various aspects of engagement and where to improve both in the short and long-term.





One of the indicators under the Engagement category is **“Work Life.”** This particular indicator helps companies understand potential burnout at an organization. Burnout occurs when employees are working unsustainable hours (weekends, nights, vacations, etc), do not have enough uninterrupted time to rest and refresh, and when unreasonable demands are placed on them. This can be observed from analyses of email, chat, and meeting behaviors, revealing whether employees are being taxed in the short term or whether it’s a long term trend. **“Work Life”** comprises two metrics: **“Weekend Work”** and **“Workday Span.”** These metrics help us understand the stretch of times that employees have to accomplish their work.

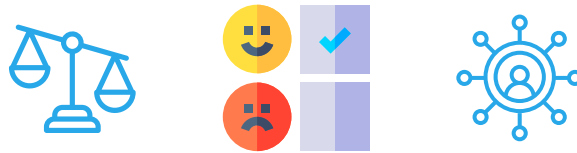
Another indicator is **“Support Network.”** This particular indicator concerns the degree to which employees have strong and likely supportive relationships with co-workers, which [research shows](#) can help promote job satisfaction and shared understanding at work, while mitigating burnout and attrition. Specifically, this indicator refers to the number of strong connections people have at work (people they interact with for at least 50 minutes on average per week), as well as employees’ exposure to manager-level colleagues across the company. A better score indicates high levels of trust and social support, suggesting that employees are well-integrated into their teams and feel like they have the support they need to be successful. The metrics that help us measure “Support Network” are **“Management Access,”** which pinpoints transfers of knowledge between managers and their teams, and **“Core Connections,”** which measures collaboration between employees integral to their output, something generally referred to as **“strong ties”**.



If employees are only collaborating with strong ties, however, they could miss important broader organizational context and opportunities to connect with colleagues outside their department who can provide inspiration and learning opportunities.. It’s here where exploration can be helpful. The **“Exploration”** indicator captures the number of weak connections (average communication of under 15 minutes/week) individuals have. The **“weak connections”** metric measures how many people employees are loosely connected to (those connections that could happen at company happy hours or cross-company presentations). These weak connections have the possibility of becoming mentors or providing new ideas and inspiration to enable employees’ longer-term growth and engagement at a company.

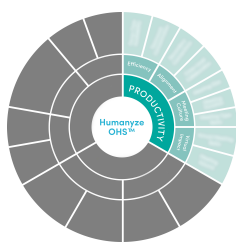
By understanding the levels of engagement at an organization and its impact on the short and long term employee experience, organizations can be more effective in their proactive management of policies and technology to support their employees. For example, a multi-national automotive manufacturer was hit hard by COVID-19. Like many other companies around the world they had to abruptly close their offices, show-rooms, and manufacturing facilities for the safety of their employees. Taking advantage of the downtime, the company decided to shift their policies to allow more flexible workstyles, encouraging employees to work primarily remotely with the option to go to the office periodically. This was a drastic change for the company, which had a strong in-office working culture and one where office work typically stopped after employees left the office.

Though this change was accelerated due to the pandemic, the company was already working on creating more flexible workdays for their employees. They saw the benefits for their long-term agility and employee retention in giving employees more freedom to work from wherever they could be most productive. They were, however, concerned that the benefits of remote work may not outweigh the impact on employee work-life balance and their ability to stay connected, particularly with their managers.



After an initial employee survey that sought to understand employee concerns with the new policy, the company used OHS as a series of KPIs to monitor the transition, with a focus on **“Work-Life”**, **“Social Support”**, and other indicators under the **Productivity** category. Initially, the company found that employees did not experience drastic changes in their behavior. As time progressed, however, the organization returned to more normal workloads around September and started to see dramatic drops in the **“Work-Life”** and **“Support Network”** indicators. Time employees had previously spent interacting face-to-face with managers and their core team was getting replaced with less rich forms of interaction, such as email and large group meetings.

Additionally, in an attempt to stay connected to the business and appear available while working from home, employees were struggling to balance finding time for meaningful interaction while also getting their focus work done within an 8-hour work day. Though **“Exploration”** actually increased, as employees made efforts to maintain and grow **“Weak Connections”** in order to stay connected to the business, **“Workday Span”** and **“Weekend Work”** also increased significantly across all teams (by 4 and 3 hours, respectively). They also saw a drop in **“Core Connections”** and **“Management Access.”** Armed with this information, the company was able to proactively address threats to employee wellbeing before they began to burn out and leave. Had the company relied solely on employee surveys to keep track of this, they may have been too late.



CATEGORY: PRODUCTIVITY

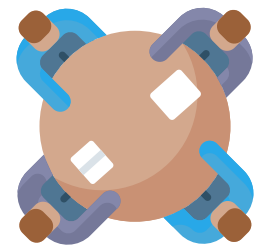
Productivity is often considered a single phenomenon, but it can actually be understood across a continuum of near, medium, and long-term performance. Achieving higher near-term productivity may come at the expense of long-term competitiveness. A pharmaceutical company could, for example, decide to assign researchers to assist on drug marketing efforts in order to boost sales. It may have the desired effect, but in the long term, new drugs will come out more slowly and the organization will suffer.

These trade-offs exist in collaboration behaviors as well. Employees can focus within teams and traditional reporting lines to maximize efficiency at the expense of forming relationships with people in other parts of the organization, and by extension innovation. There is no right or wrong answer on exactly how to balance these behaviors, as organizational context is what needs to drive those decisions. At the far end of the spectrum, however, clear deficits can be identified. Humanyze **measures Productivity through the lens of collaboration.** This category helps companies understand whether current collaboration patterns can support high productivity levels. The indicators measured are: **“Efficiency,” “Meeting Culture,” “Virtual Impact,”** and **“Alignment.”**



The “**Efficiency**” indicator helps organizations understand whether employees have enough time to focus on their work, or are being constantly interrupted by email, chats, or meetings, and whether they are spending enough time with close collaborators. The metrics associated with this indicator are “**Focus Time Availability**,” which measures how many minutes a day employees are able to be uninterrupted by meetings and other digital interactions (including the time it takes to transition between tasks), and “**Teamwork Concentration**,” a metric that measures the ratio of time employees spend with their top 5 collaborators. This last metric helps measure communication within teams, which can be a predictor of how quickly they can shift or catch potential errors.

Another important aspect of how we measure productivity is understanding how meeting culture impacts employees. If employees are disproportionately bogged down by large, long, formal meetings, very little work will get done. [Research has consistently shown](#) that meetings that grow in size beyond a few people are only good for one-way, informational communication. This makes those meetings ideal for the occasional town hall, but very ineffective for brainstorming or decision-making. Similarly, as these meetings get longer the likelihood that the meeting will lose focus and people will multitask increases. In addition to making it difficult for the meeting to achieve its purpose, it has the effect of wasting everyone’s time. Since productivity is, by definition, the amount a company can produce in a given period of time, any time wasted in meaningless meetings implies a direct decrease in performance. The OHS measures this through the “**Meeting Culture**” indicator, which is made up of three metrics “**Meeting Type**,” “**Meeting Duration**,” and “**Meeting Size**.” Mostly self-explanatory, together these metrics give a broad picture of the trends in meetings at an organization and allow leaders to adjust for more efficiency, leading to higher productivity.



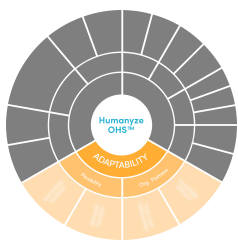
Employees’ physical location also matters for productivity. If two people frequently collaborate, to the extent they’re able to engage in synchronous or face-to-face communication, they can communicate complex information more quickly and execute more effectively. In office environments, this means mostly co-locating groups that need to collaborate, but this rule applies even in remote settings. A one-hour timezone difference decreases the likelihood of communication by 9%, to say nothing of the time lags in execution if a team in Asia has to wait a day for every response they require from colleague on the East Coast of the United States.

Though co-location is not always an option when trying to support communication across different functions or regions, that doesn’t make this less important. To the contrary, these interfaces are even more important for medium and long-term organizational success, and for employees who require heavy collaboration to accomplish their work, the impact on their productivity can be exponential. We capture these location-contextualized communication patterns in our “**Virtual Impact**” indicator, which measures the degree to which employee communication happens with people who are geographically close to each other and is measured through the “**Meeting Volume**” and “**Virtual Meeting Ratio**” metrics.

Companies that have more cross functional collaboration, as well as more strong ties across these formal boundaries, are much more likely to innovate and have a greater capacity for medium and longer-term productivity. This is due to how fast diverse information is moving throughout the communication network. When a single team learns something new in a well-aligned organization, all other teams will learn that same fact much more quickly thanks to effective information diffusion, which allows them to accomplish the right tasks, faster.

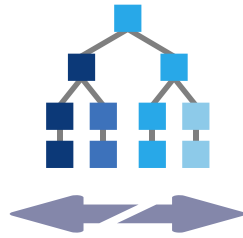
This is captured in our “**Alignment**” indicator, which quantifies the degree of cross-functional and cross-team communication. While alignment is essential for near-term performance, creativity and innovation are the hallmarks of an organization built for long-term success. Companies that can bring superior products to their customers faster will inevitably overtake their competition. These traits can be estimated through both communication structure and cultural traits. If people are cloistered in small, disconnected groups, group-think develops and new ideas are rare. Strong teams with a moderate level of interconnection, however, leave room for ideation but with a regular infusion of new information to challenge assumptions. Beyond that structure, the organization itself has to value creativity. People who propose new, bold ideas have to be encouraged and supported so that others will follow suit. Companies need to hire people from non-traditional backgrounds and constantly change their hiring strategy to ensure old ideas do not get baked in. While challenging, the long term benefits of building a creative, resilient organization will carry forward for decades. The “**Alignment**” indicator is measured through the “**Secondary Connections**” (number of extended contacts someone has in the professional network who they interact with for about 15-50 minutes per week) and “**Cross-Level Collaboration**” (the time employees spend collaborating with connections above or below them in the hierarchy) metrics.

By understanding the capacity for productivity and its various components, organizations can make targeted interventions to optimize for the results they desire. For example, **a global technology company** who was **struggling to meet its sales targets** used Humanyze® OHS to understand how its salespeople could sell more with the same resources. Management believed that the more hours their salespeople worked, the more deals they would close. Through OHS, however, they were able to uncover that their most effective sales people actually had healthier work-life indicators than their peers. What set them apart was their interaction with colleagues in product and engineering (“**Alignment**” indicator), and their ability to connect with them face-to-face by being co-located (“**Virtual Impact**” indicator). This insight gave sales management clearer understanding that by co-locating their sales teams with those who build the product they’re selling, they will be more effective.



CATEGORY: ADAPTABILITY

Change happens constantly, from market conditions to competitor offerings and new technological developments. Companies that can quickly adapt by changing the way they operate and collaborate are more likely to succeed. A variety of factors support successful adaptation, spanning formal structures, internal collaboration patterns, and cultural orientation. Companies that are less hierarchical from a formal and informal perspective adapt more easily. Flatter hierarchies push decision-making authority closer to the front lines, enabling employees with the most recent information to rapidly change their work and investments. Communication networks should be structured similarly as cross-divisional ties between peers helps new knowledge flow quickly through the organization rather than relying on it to percolate up and then flow back down. The Humanyze Organizational Health Score™ measures adaptability through two indicators: “**Organizational Flatness**” and “**Flexibility**.”



The “**Organizational Flatness**” indicator is made up of two metrics that together pinpoint how information sharing happens at an organization. The “**Cross-Level Collaboration**” metric focuses on understanding how much time employees spend interacting with colleagues in other hierarchical levels, while the “**Knowledge Diffusion**” metric is an indicator of how informal communication travels through a hierarchy and measures the number of people information must pass through to get to employees.



Similarly, adaptable organizations need to be flexible in their work styles. The “**Flexibility**” indicator helps companies understand how much autonomy teams have to adjust their work patterns to better suit their workstyles. This indicator is measured through an aggregated score that looks at the diversity of employee work styles the “**Workstyle Flexibility**” metric), and whether employees have the flexibility to choose their own style of networking (the “**Networking Flexibility**” metric).

By understanding adaptability levels, organizations can take steps to set themselves up for handling future change well. For example, a **multinational oil and gas company** used Humanyze to measure a high-performing business unit that was distributed globally across nearly all continents. Their HR department had a hypothesis that, despite working in the same function, **different regions were not connecting to learn from each other** and share best practices. Through the Humanyze Organizational Health Score™ and its metrics they validated their assumption, showing that, while employees in each regional hub were engaged and productive within their own silos, their “Organizational Flatness” indicator was extremely low. This was due to all information between locations flowing through management and shared services, like IT. Though the business unit was not at immediate risk of employee attrition or productivity drops, this posed a longer-term threat to the company’s ability to adapt and remain innovative—particularly as they faced broader market forces demanding change in the oil and gas industry. Armed with this objective data, the HR team was able to validate an investment in a peer-to-peer knowledge sharing platform to connect employees directly to each other without needing to go through management.

Leveraging Humanyze® OHS

A particular pain point that organizations have long struggled with has been understanding how a new strategy or direction will impact the company down the line. Many times it takes years for a problem to surface. The Humanyze® OHS eliminates this issue by providing feedback weeks or even days after a new strategy is implemented. There’s no guarantee that the first quick response to an organizational shock will necessarily be the right one, however with OHS companies can try out new strategies and quickly see the impact it has on their employees’ collaboration and ultimately their effectiveness.



This data-driven mindset needs to be deeply embedded within organizations for them to become truly effective. Companies that are able to simultaneously test different approaches, and even emphasize expansive, rapid testing, over initially finding the “right” answer are the ones that [will find the best approach more quickly](#)—which equates to competitive advantage. This is a difficult cultural orientation to install and one that needs to start from the top, with leaders proactively communicating what pilots they’re running internally and lauding other internal efforts. That support will give front line employees the confidence to examine their own work, knowing that the organization values that approach and they’ll be rewarded for those efforts. Constantly questioning assumptions and challenging established ways of doing things is difficult to execute, because some decisions need to be acted on over years and can’t dramatically change overnight. Companies that get continuous improvement right are the ones most effective at managing this ambiguity, drawing the appropriate lines on when a decision has been made and the organization needs to move on and identify parts of the business that can tolerate rapid iteration. All of this can be more easily accomplished by leveraging OHS and ensuring that the business continues to move forward.



Humanyze® OHS in Action

In this paper we saw a few examples of the insights and information OHS can provide companies. Organizations can all benefit from better decision making, whether in addressing remote work strategies and effects, returning to the office post pandemic, workplace design decisions, team location, or people and management decisions. Companies who are already leveraging the Humanyze Organizational Health Score™ have transformed their decision making process.

Humanyze has already seen the positive impacts their solutions has on companies world-wide through **increases in productivity, improving sales outcomes, and savings of millions of dollars** by increasing the speed and accuracy of decision-making. As the CEO of a major multinational technology company recently said, *“these are insights every CEO should have.”* Other leaders in Fortune 500 companies have echoed this praise: *“this solution is changing the pace and impact of the changes we are implementing,”* and affirming that *“Humanyze’s one-of-a-kind insights are a must for every business.”*

[Book Your Humanyze® OHS Demo Today](#)



Citations & References

- 1: Leblebici, D. L. (2012). Impact of Workplace Quality on Employee's Productivity: Case Study of a Bank in Turkey. *Journal of Business, Economics & Finance*, 1(1), 38–49. <http://cite-seerx.ist.psu.edu/viewdoc/download?doi=10.1.1.1024.2329&rep=rep1&type=pdf>
- 2: Buunk, B. P. (1990). Affiliation and Helping Interactions within Organizations: A Critical Analysis of the Role of Social Support with Regard to Occupational Stress. *European Review of Social Psychology*, 1(1), 293–322. <https://doi.org/10.1080/14792779108401865>
- 3: Allen, J. A., Tong, J., & Landowski, N. (2020). Meeting effectiveness and task performance: meeting size matters. *Journal of Management Development*, ahead-of(ahead-of-print), <https://doi.org/10.1108/jmd-12-2019-0510>
- 4: Allen, J. A., Tong, J., & Landowski, N. (2020). Meeting effectiveness and task performance: meeting size matters. *Journal of Management Development*, ahead-of(ahead-of-print), 0. <https://doi.org/10.1108/jmd-12-2019-0510>