



EXPLORING WORKFORCE DYNAMICS:

Unlocking Actionable Insights with Aura



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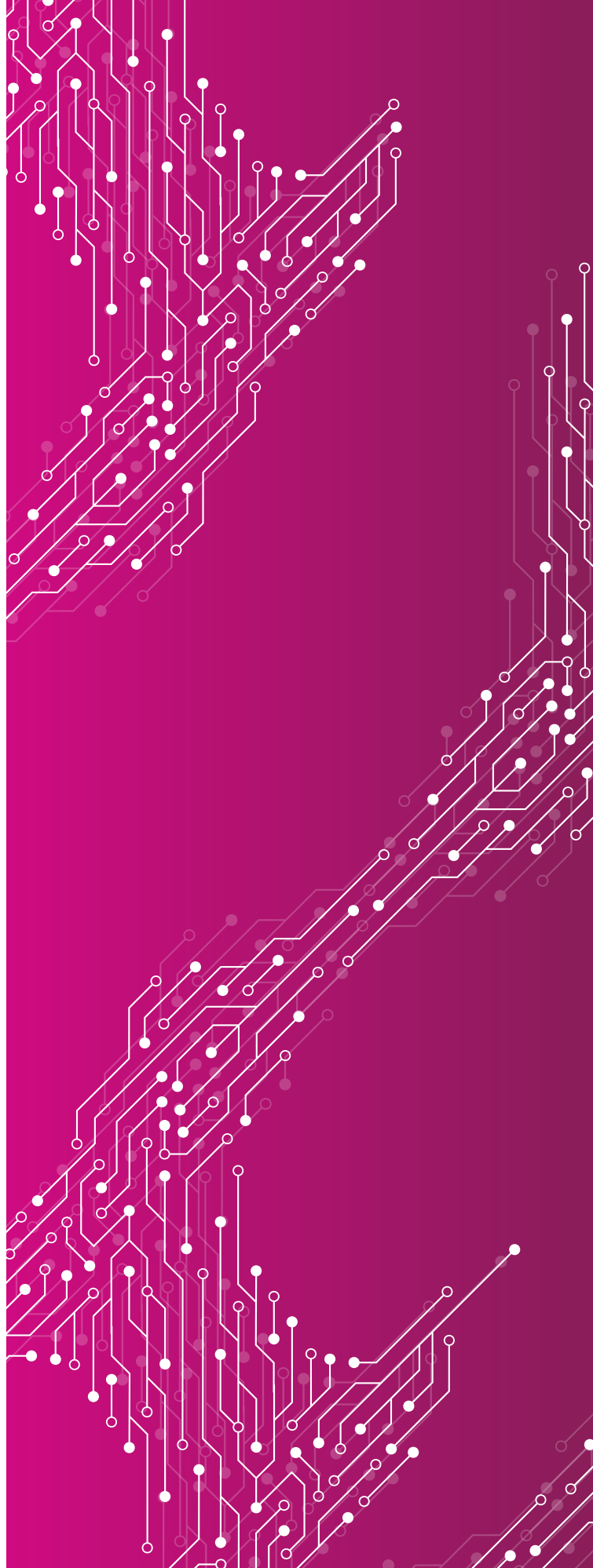
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Introduction

Understanding and managing workforce dynamics is crucial for achieving organizational success. Today, it has become standard practice for corporate organizations to periodically analyze their workforce in order to align it with strategic objectives.

Through a detailed examination of factors such as workforce size, geographical and functional distribution, seniority levels, career progression, and key metrics of interest, companies can identify areas for improvement and optimize their workforce accordingly. This comprehensive approach allows companies to bridge gaps and capitalize on opportunities for growth and success and should be performed on a rolling or more regular basis.



CHAPTER 1

Why Do We Need Workforce Dynamics?

By conducting a comprehensive analysis of workforce dynamics, organizations gain valuable insights to make informed decisions and implement targeted interventions where needed.

This, in turn, results in improved overall business performance. Investors can also benefit from such analyses as further inputs alongside other market research to guide investment decisions.



Valuable workforce dynamic insights include:

- **Workforce size:** The size of the workforce within the organization, across different geographies and different functions.
- **Geographical distribution of the workforce:** Where employees are located around the world, its alignment with demand, cost structure (like having certain functions based in lower-cost regions), and strategy (like targeting potential high-growth markets).
- **Functional distribution of the workforce:** The allocation of employees across different departments and evaluating its suitability for core business processes, cost structure, and strategy. This includes assessing the balance of functions and their alignment with the organization's focus, be it product-centric or sales/marketing-driven.
- **Seniority distribution of the workforce:** The allocation of employees between junior and management levels, considering cost-effectiveness and the ability to provide effective oversight.
- **Career progression:** Metrics such as promotion rates, attrition rates, and employee commitment.
- **Additional metrics of interest:** Diversity, Equity, and Inclusion (DE&I) metrics, as well as other metrics that align with the specific strategic goals of the organization.

However, access to detailed workforce data is often limited for external stakeholders, hindering accurate understanding of organizational structure and, subsequently, accurate predictions of a company's future performance. This becomes even muddier for publicly listed companies as most of their insights are gleaned from quarterly reports that emphasize financial results and tend to gloss over any workforce metrics.

Due to sporadic and inadequate tracking, workforce metrics' ability to forecast the future performance of a target company is diminished despite their dual role as an **input and indicator of company well-being**. However, the availability of any comprehensive workforce data, even if only directional, can significantly enhance existing financial signals used by analysts to forecast company performance. The analysis of workforce dynamics can provide valuable insights that contribute to a deeper understanding of company health and facilitate informed decision-making.



CHAPTER 2

What is Workforce Dynamics?

Addressing the Workforce Data Gap

Accessing detailed workforce data has become increasingly crucial in today's competitive market. Financial analysts are constantly seeking alternative sources of signals to gain an edge, and workforce metrics provide valuable insights to generate or disprove investment theses

Unlike retrospective quarterly performance reports, workforce data at higher frequencies allows analysts to make predictions and decisions ahead of competitors, fostering a proactive approach. Moreover, the ability to customize metrics based on company-specific, industry-specific, and time period-specific circumstances is paramount.

By addressing this gap and offering user flexibility and customizability, tools like Aura Workforce Dynamics empower analysts with knowledge and enable them to be proactive instead of reactive. With this comprehensive access to workforce data, analysts can make informed decisions, identify strategic shifts in company trajectory, and outperform the competition.



Introduction to Aura Workforce Dynamics

Aura Workforce Dynamics is a powerful tool that provides valuable insights into workforce metrics for companies of interest. By tracking and compiling these metrics, Aura offers a comprehensive view of the latest trends and shifts in the industry. Regular reports, delivered on a weekly basis, keep users updated on key performance indicators.

This product consists of two separate but interconnected parts:



Standard company metrics:

Core real-time metrics covering workforce size, hires and exits, job postings, etc., broken down by geography, function, and seniority.

- These metrics will be tracked and compiled for specific companies of interest.
- These metrics will be delivered regularly (e.g., weekly) in report format, showing the latest trends/shifts.



Custom alerts:

Alerts can be triggered when specific metrics of interest pass defined thresholds for target companies.

- E.g., When hires/exits/job postings increase or decrease substantially compared to either historical averages or peer averages
- These metrics can be chosen by users so that they can track the data that is most useful for them.
- Thresholds can also be defined by users so that they can tailor alerts to their needs.

The flexibility of Aura Workforce Dynamics empowers users to select the metrics most relevant to their specific needs. Plus, they can define thresholds for custom alerts, ensuring timely notifications for any significant deviations. By comparing these metrics against historical averages and industry peers, users gain insights into their company's trajectory, enabling them to make informed decisions and drive success.

By providing higher frequency workforce data, Aura Workforce Dynamics enables analysts to predict future financial and stock performance, breaking free from the reactive stance imposed by quarterly performance reports. With its customizable approach, Aura Workforce Dynamics caters to the diverse needs of different users, taking into account company-specific, industry-specific, and time period-specific circumstances.



Benefits of Aura Workforce Dynamics

Aura Workforce Dynamics offers many benefits that can transform the way businesses operate. First, it empowers financial analysts with valuable knowledge and insights. In today's competitive market, having access to alternative sources of signals is crucial for staying ahead.

For instance, **the use of satellite imagery** as an additional input into investment decisions has gained fame for its ability to provide unique information that can outperform the competition. Workforce metrics, in that same vein, play a significant role in generating or disproving investment theses, adding another piece to the puzzle of financial analysis.

Next, Aura Workforce Dynamics enables analysts to move away from a reactive stance when it comes to assessing performance. Quarterly performance reports, focusing on concrete financial results, often force analysts to react rather than anticipate. By providing access to workforce data at higher frequencies, Aura allows interested parties to predict future financial and stock performance more accurately. This proactive approach empowers analysts to make informed decisions ahead of competitors, giving them a competitive edge in the market.

Lastly, the customization aspect of Aura Workforce Dynamics is a key advantage. Different users have different needs and preferences when tracking metrics for specific companies. By offering a tool that enables customization, Aura Workforce Dynamics ensures that it can cater to the diverse requirements of its users. This flexibility allows analysts and decision-makers to tailor their insights and analysis to align with their interests and objectives.

Aura Workforce Dynamics provides a powerful platform that enhances decision-making processes. By offering valuable knowledge, enabling proactive analysis, and providing customization options, Aura Workforce Dynamics empowers users to make more informed and strategic decisions.



CHAPTER 3

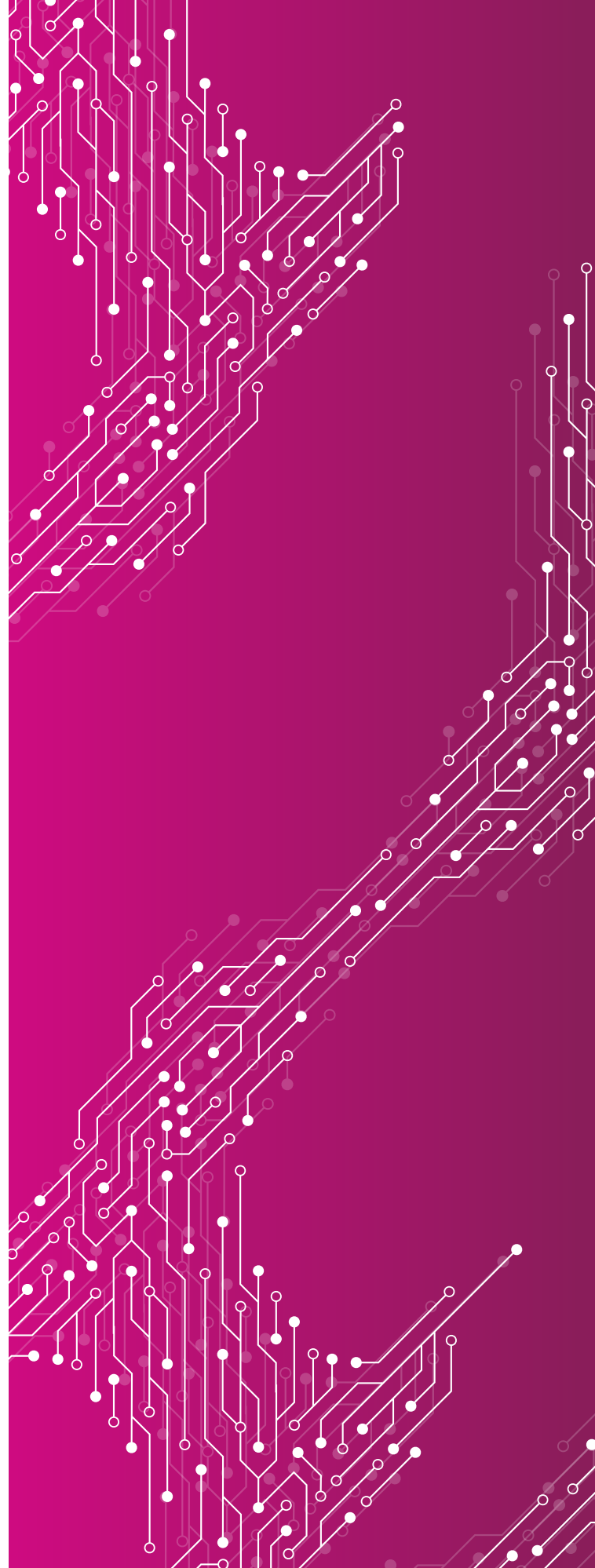
How Does Workforce Dynamics Work in Practice?

To better understand why workforce dynamics should be imperative for your organization, let's take a look at the case study with Salesforce.

In the first quarter of 2023, Salesforce implemented significant layoffs, affecting approximately 10% of its workforce. This strategic move led to a return to profitability after experiencing a net loss in the previous quarter and substantial drops in share prices throughout 2022.

However, on September 15th of this year, Salesforce made an exciting announcement of a new wave of hiring, signaling a shift in focus towards growth. This shift was likely influenced by the completion of their cost optimization program and the need to invest in other capabilities to secure their strategic targets.

Interestingly, by leveraging Aura Workforce Dynamics, it becomes evident that this hiring strategy could have been identified earlier than the public announcement. The graph below illustrates that new job postings had already increased compared to historical averages even before the official announcement, potentially as early as late August.



Salesforce: Weekly new job postings (vs six-month historical average)



In fact, during the week of September 13th, job postings experienced a remarkable 53% increase compared to the previous six months. This notable surge in hiring strategy occurred before it became widely known among the general public. Such valuable insights could have empowered potential investors to adjust their investment strategies or prompted competitors to anticipate and respond to this shift proactively.

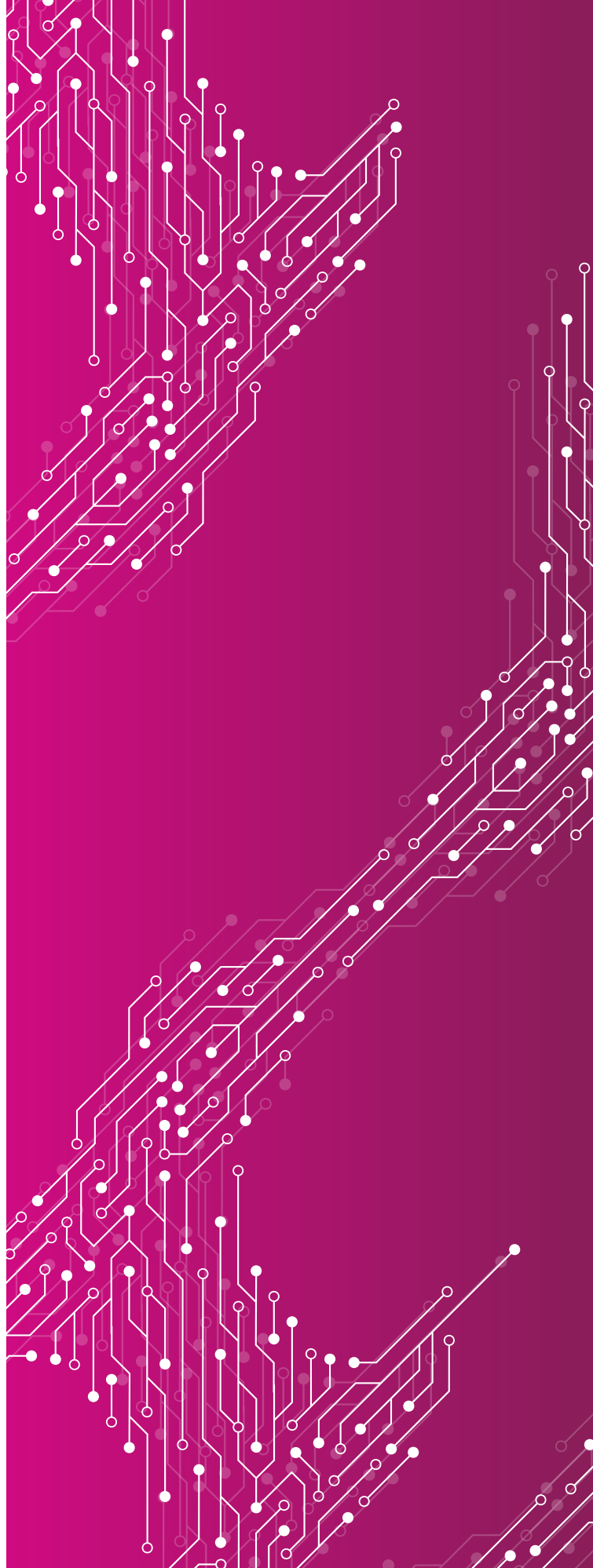
This case study highlights the significance of having real-time access to selected metrics for a portfolio of companies. It demonstrates how leveraging these metrics enables users to make well-informed decisions promptly, staying one step ahead of the competition. Keep in mind that this example focuses on a single metric during a specific period of interest, but the underlying principle remains the same: timely and informed decision-making is key to gaining a competitive advantage.



Real Applications of Workforce Dynamics

The concept of workforce dynamics has become increasingly important in the current business environment.

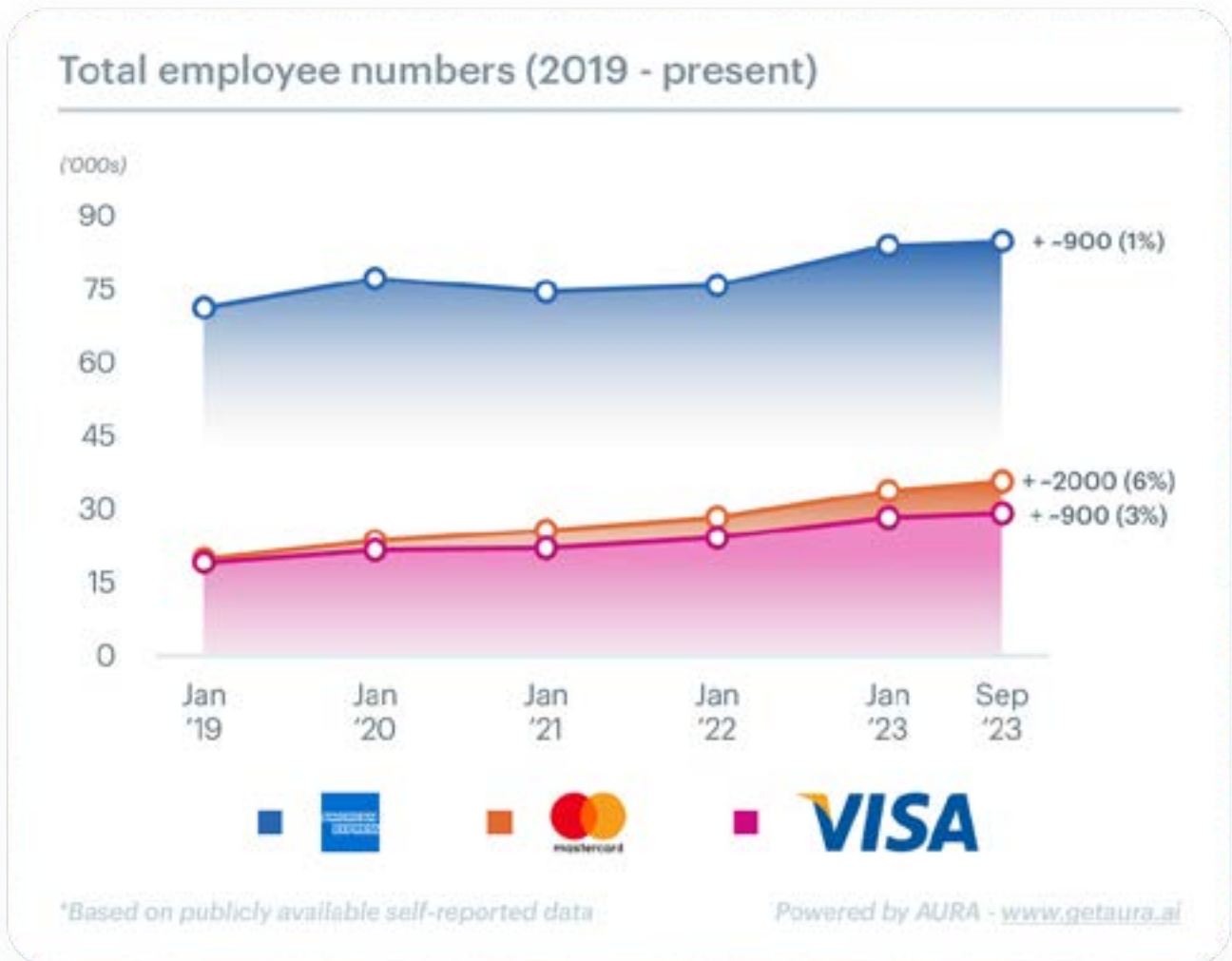
An example of this is The Great Resignation phenomenon, where large numbers of employees resigned from their positions to take up new opportunities. This has a significant impact on organizations and the workforce as a whole, resulting in increased recruitment costs as companies are forced to replace the departed employees. By understanding the reasons behind this trend and its implications, organizations can take steps to manage attrition better and thus retain their talent.



Real-World Spotlight on Attrition & Job Hopping

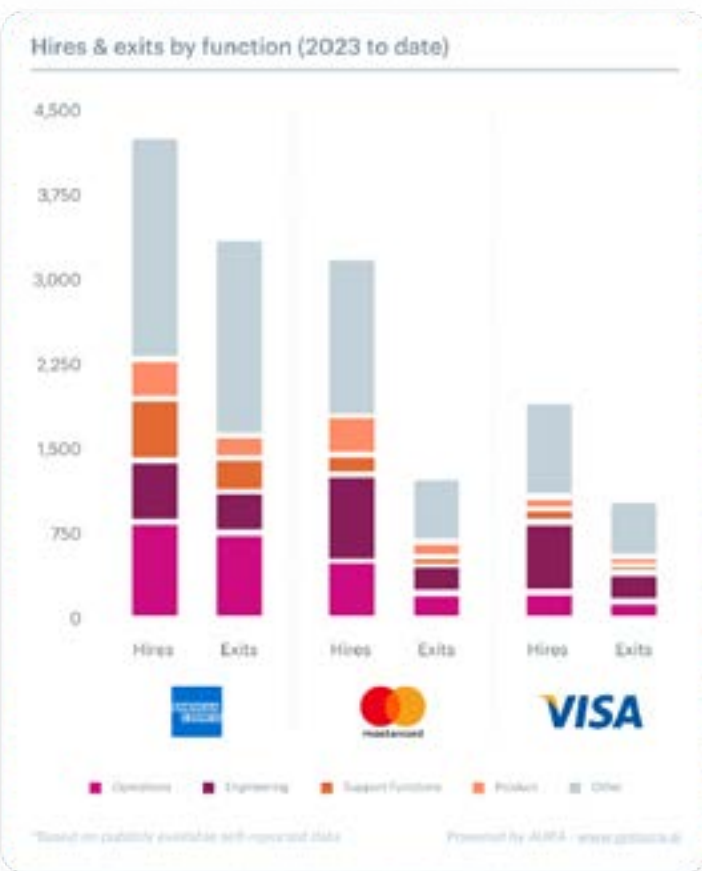
We conducted an analysis of publicly available data on the current and former employees of American Express, Mastercard, and Visa, including their subsidiaries. These are among the world's largest established payment companies, known for their stable business operations. Real-time monitoring of their workforce can provide valuable insights to interested parties, such as investors, revealing changes in hiring and attrition.

This can potentially unveil strategic moves that have not yet been publicly announced or known outside the company. It is important to note that these figures may potentially underestimate the actual number of employees, as our sources rely on up-to-date online profiles, which may not provide complete coverage.



Mastercard has experienced the highest growth, both in absolute and relative terms, with approximately 6% growth as per the Aura data. In contrast, Visa witnessed around 3% growth, while American Express maintained a relatively stable workforce with a modest increase of 1%.

Based on these figures, it might appear that Mastercard’s recruitment costs are relatively higher compared to other companies. However, this only presents a partial view of the recruitment landscape. Alongside these newly created positions, it is reasonable to assume that a significant portion of exits were unplanned attrition, resulting in the need for replacements, like the aforementioned job-hoppers.



Therefore, analyzing both hires and exits within each company by function is crucial to discern which hires were likely brought in to fill vacancies rather than being investments in new roles.

Particularly when it comes to exits and attrition, it is even more probable that online public profiles aren’t updated in real time, as some candidates only update their profiles after securing a new job.

The data presented above paints a contrasting picture. Although Mastercard experienced the largest growth in absolute terms, American Express required the highest number of new hires to compensate for employee departures. The tracked attrition rate for Q1-3 2023, as of November (likely an underestimate), indicates that approximately 4% of employees left each company. Notably, American Express had the highest attrition rate. Consequently, a significant number of these departures necessitated replacements.

According to the [Society for Human Resource Management](#), the average cost-per-hire is approximately \$4.7K, with executive hires averaging around \$28K. Applying these figures suggests replacement recruitment costs of about \$15M, \$6M, and \$5M for American Express, Mastercard, and Visa, respectively. While these amounts may seem relatively small for such large companies, they highlight potential inefficiencies and opportunities for optimization, especially considering current job-hopping trends.

This underscores the significance of actively monitoring attrition and hiring patterns in real time. Such analysis may reveal compelling insights that have the potential to shape competitive decision-making and pique investor interest.



Conclusion

Workforce dynamics play a critical role in organizational success.

By analyzing various factors such as workforce size, distribution, seniority levels, career progression, and key metrics, companies can identify areas for improvement and make informed decisions.

Access to detailed workforce data and tools like Aura Workforce Dynamics can provide unmatched insights, enhance forecasting capabilities, and empower analysts to stay ahead of the competition. With a comprehensive understanding of workforce dynamics, organizations can drive productivity, employee satisfaction, and overall business performance.

Unlock the potential of your workforce dynamics with Aura Workforce Dynamics. Gain valuable insights, enhance forecasting capabilities, and stay ahead of the competition. [Contact Aura today](#) for a customized tour.

