

## Ultimate's Leadership Actions Aids Employee Retention Efforts

Ultimate Software  
Best Advance in Online Coaching Tools  
February 2017



### Company Background



Company At-a-Glance	
Headquarters	United States
Year Founded	1990
Revenue	\$618 Million
Employees	3,300
Global Scale	Mostly in U.S., with multiple locations
Customers/Output, etc.	3,400
Industry	Technology and Software
Stock Symbol	ULTI
Website	<a href="http://www.ultimatesoftware.com">www.ultimatesoftware.com</a>

### Value Proposition

In large organizations, it is difficult for HR leaders to know whether they are retaining the right people and, once they have identified promising employees, to determine best practices to further that individual's development and growth. To answer this need, Ultimate Software developed Leadership Actions, a new prescriptive feature embedded within its UltiPro® human capital management solution to help managers proactively nurture and engage their teams.

According to Ultimate Software CTO Adam Rogers: “Retention is a top challenge for any successful organization. Research indicates that replacing a professional employee can cost more than two times an employee’s salary, in addition to loss in intellectual capital and tacit knowledge when talent leaves.

“Studies support the finding that the most important relationship in any organization is between an employee and their direct manager and, if an employee doesn’t respect their manager, they will ultimately leave that organization,” Rogers said. “Relationships need to be built, and that takes time. With managers often busy, relationship-building is sometimes one of the first things to go.”

Leadership Actions builds upon UltiPro’s predictive analytics measures – the UltiPro Retention Predictor® and UltiPro High Performance Indicator® – by offering an ongoing coaching and development tool, which focuses on developing leaders as well as evaluating and retaining employees. UltiPro Leadership Actions not only helps managers to identify retention risks and potential high performers, but also suggests specific activities for managers to implement to help engage an individual and support his or her career path.

Ultimate Software believed that Leadership Actions was a next logical step that would enable HR leaders to not only identify potential retention issues but also to empower managers with the tools to do something about it. Managers needed a framework to better coach employees to help them to feel valued. While IQ is fixed, emotional intelligence can be developed, so Leadership Actions provides managers with the tools to better coach, manage, and influence their talent so they will add more value and stay with their organizations.

At the Anderson Center for Autism, a non-profit dedicated to providing high-quality programs for children and adults with autism, the organization was able to leverage UltiPro’s Leadership Actions to better engage promising talent and drive employee retention.

The organization, an UltiPro customer since 2001, had recently seen high turnover for a group of employees that the organization relied upon heavily. This trend was problematic for a non-profit organization such as Anderson since these individuals were skilled in working with autistic children and adults, had great hands-on experience, and brought a deep skill set and credentials to the organization. The turnover of key talent proved to be costly to Anderson, leading to a decision by HR leaders to utilize Leadership Actions with a pilot group of 20 managers.

Anderson HR leaders used the UltiPro Retention Predictor®, which generates scores from 0 to 100 representing the probability of an employee staying in the following 12 months, and set a score tolerance cutoff. Managers would receive an automated email to signal them that an employee's retention score surpassed the cutoff. Once an alert was generated, managers were able to access the Leadership Actions coaching feature selected by Anderson from a library of best-practices embedded in UltiPro.

“Leadership Actions has had a huge impact on our culture,” said Gregg Paulk, director of information technologies at Anderson. “Within a week of activating UltiPro’s predictive analytics tools, we were able to identify essential employees at risk of leaving and take action. Because we were prepared, we were able to retain these people. Overall, this information is impacting not only our high-performer retention but also our engagement and culture. Leadership Actions suggests ways that we can help our talent feel valued beyond salary and benefits. The technology suggests brief touch bases on development and informal meetings, for instance. Our 20 managers have been having conversations they had never had before, and it was amazing to see how getting our managers to think differently in coaching their teams resulted in their employees feeling more motivated and engaged by their work.”

In addition, Paulk said, managers can monitor the impact of their actions on an ongoing basis and executives can see if their managers are taking steps to retain key talent.

“As an IT professional with a non-profit organization, I am excited by the potential for Leadership Actions to validate our talent management assessments,” said Paulk. “I cannot overstate how beneficial this type of visibility into individual and team performance has been on our organization. With a core mission to serve children and adults with autism, UltiPro’s Leadership Actions helps us to be as efficient as possible to maximize talent and strengthen our organization, a huge gain given our limited resources.”

### **Product or Program Innovation**

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UltiPro’s Leadership Actions utilizes a powerful combination of predictive analytics with best-practice prescriptive actions embedded in a talent dashboard that is part of a manager’s natural workflow. Key analytic measures, triggered by the UltiPro Retention Predictor® and UltiPro High Performance Predictor®, alert a manager to a potential retention risk. The manager may proactively engage the employee by focusing upon that individual’s needs and tailoring activities within a specific area. Leadership Actions identifies clear actions that a manager may take to remediate the situation, culled from a

library of more than 60 recommended actions organized into 16 categories of engagement, including:

- 3-month tenure
- 6-month tenure
- 1-year tenure
- 5-year tenure
- Achievement
- Autonomy & Freedom
- Collaboration
- Difficult Conversations
- Equality
- Financial Reward
- Growth Opportunities
- Influence
- Life Change
- Meaningful Work
- Security
- Team Conflict

Leadership Actions replaced the days of once-a-year performance evaluations with timely updates combined with tools for managers to offer ongoing coaching and valuable attention. The program suggests concrete steps ranging from career coaching to publicly acknowledging successes.

In addition, managers may add unique actions to the Leadership Actions feature to allow organizations to propagate the behaviors that best represent their distinct culture. These user-defined activities empower managers to make timely decisions and take relevant actions that will engage their individual employees, develop their leadership teams, and strengthen their overall organization. Leadership Actions helps develop managers into being more effective leaders so that they may, in turn, better nurture and coach their employees.

## Unique Differentiators

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Ultimate Software believes that the strategic value of Leadership Actions to its customers comes from transforming the employee experience and performance process beyond just analytics into an ongoing coaching and development tool, focused as much on developing leaders as it is about evaluating and retaining employees. The goal is to deliver an alternative to the traditional performance management model with a hands-on, coaching-focused approach that assesses real-time productivity and progress for individuals and teams.

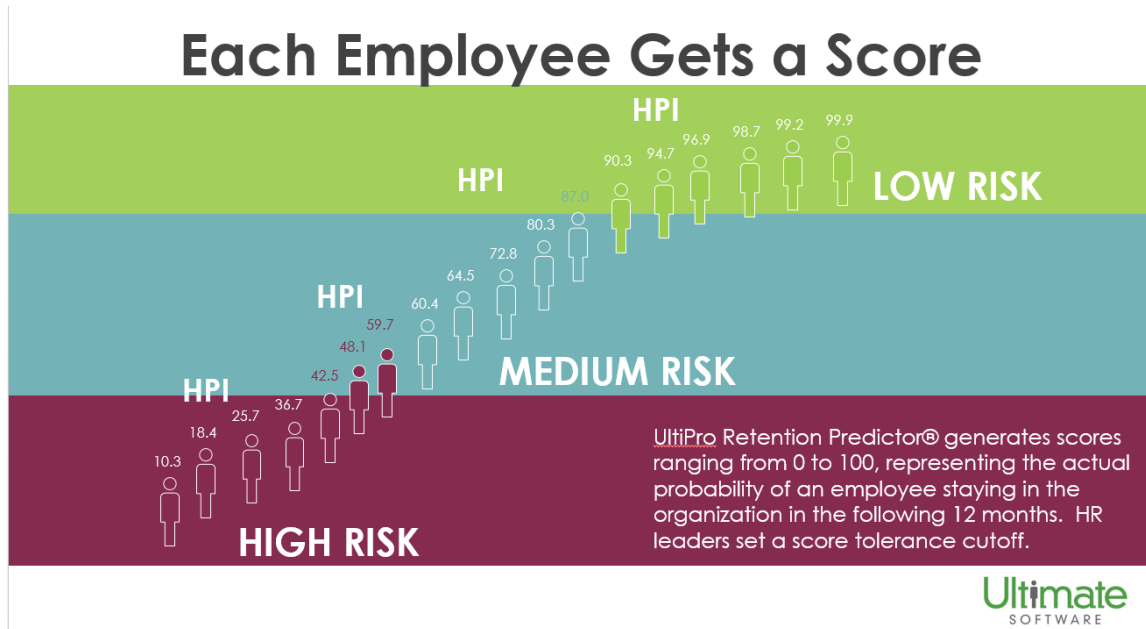
Leadership Actions key differentiators include:

**Developing Managers as Leaders.** This is a key offering because not all managers are natural coaches nor are they instinctively aware of when or how they should coach employees. UltiPro Leadership Actions provides managers with tools based upon the suggestions of Ultimate Software customers combined with extensive behavioral research.

**User-Defined Leadership Actions.** Because each organization has its own unique culture and team dynamics, Leadership Actions enables customers to tailor to add their own activities to truly reflect their culture and reinforce behaviors authentic to their organization. Whether it is embedding links to eLearning or creating specific development activities tailored to the needs of promising talent, HR leaders have the technology that can help them tackle the challenge of developing their leadership teams in an ongoing fashion.

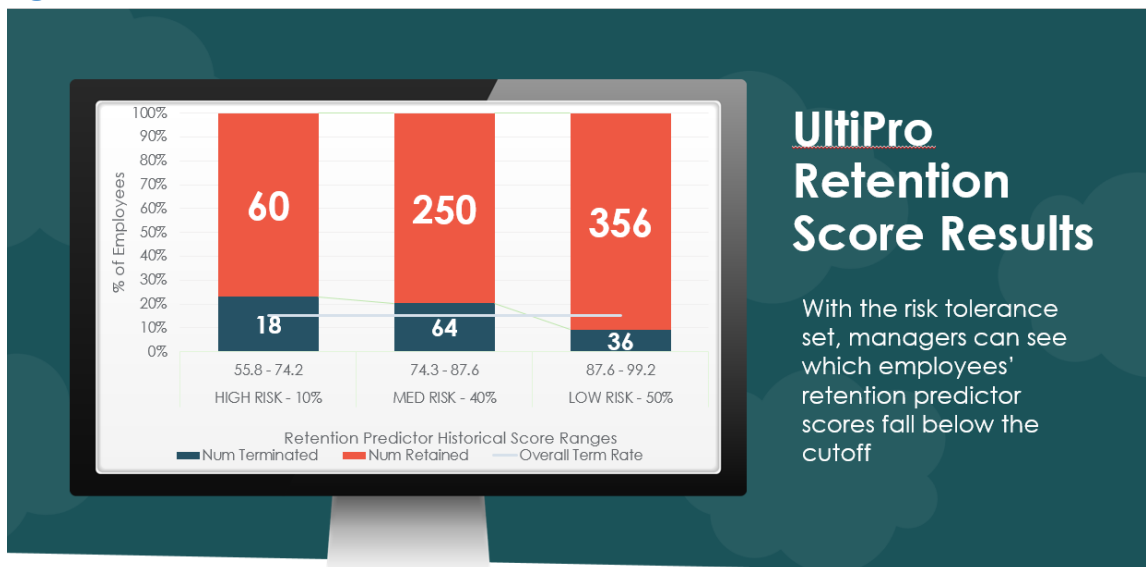
**Inspirational messages from thought leader, Simon Sinek.** Because managers have a critical impact on an employee's career trajectory, Ultimate has partnered with best-selling author Simon Sinek to deliver managers' inspiration and guidance for becoming better leaders. Sinek has been described as "a visionary thinker with a rare intellect" who teaches leaders and organizations how to inspire people. Ultimate believes that incorporating inspirational content alongside prescriptive analytics provides managers with a workflow that will ignite meaningful action where and when a manager needs it most.

Figure 1: Employee Scores



Source: Ultimate Software 2017

Figure 2: Retention Score



Source: Ultimate Software 2017

Figure 3: Leadership Actions

**Leadership Actions**

Leadership Actions inspire you to plan activities that will help engage your direct reports.

**To Do**

- Understand employee's work vision
- Do not wait for the issue to "work itself out," rather face the challenge
- Discuss motivation drivers for employee

**COMPLETED ACTIONS**

- Review career path opportunities (Completed 09/07/2016)
- Offer flexible choice of projects and work (Completed 09/07/2016)

## Leadership Actions

UltiPro Leadership Actions provides managers with practical advice and inspirational messages about effective leadership

Ultimate SOFTWARE

Source: Ultimate Software 2017

Figure 4: Leadership Actions Report

**Leadership Actions Reporting**

Leadership Actions reporting gives HR leaders the tools to monitor manager actions and track assignments for employees

Employee Name	Action Category	Action	Date Created	Owner Name	Date Updated	Days Since Update	Date Due
Ryan, Margaret L.	Financial Reward	Discuss motivation drivers for employees	May 16, 2016 12:40:11 PM	Dibben, Ivan L.	May 16, 2016 12:40:11 PM	101	Sep 12, 2016 12:00:00 AM
Jarona, Kenneth	Tenure - Year 1	Review career path opportunities	Jan 4, 2016 10:29:48 AM	Thayer, Paul	Jan 4, 2016 10:29:48 AM	234	Oct 5, 2016 12:00:00 AM
Allen, Harvey	Financial Reward	Discuss motivation drivers for employees	May 16, 2016 1:06:53 PM	Baker, Henry M.	May 16, 2016 1:06:53 PM	101	Oct 17, 2016 12:00:00 AM
Black, Tom	Tenure - Year 1	Review career path opportunities	Jan 4, 2016 11:19:51 AM	Thayer, Paul	Jan 4, 2016 11:19:51 AM	234	Oct 15, 2016 12:00:00 AM
Coburn, Isabelle	Tenure - Month 6	Discuss short term career opportunities	Jan 4, 2016 11:46:50 AM	Thayer, Paul	Jan 4, 2016 11:46:50 AM	234	Oct 7, 2016 12:00:00 AM
Corvick, Phil	Tenure - Year 1	Review career path opportunities	Jan 4, 2016 11:46:50 AM	Thayer, Paul	Jan 4, 2016 11:46:50 AM	234	Oct 14, 2016 12:00:00 AM
Cook, Glenn	Autonomy & Freedom	Discuss employee's vision for work	Dec 30, 2015 2:47:35 PM	Baker, Henry M.	Dec 30, 2015 2:47:35 PM	239	Oct 5, 2016 12:00:00 AM
Ferguson, Sean	Influence	Provide leadership opportunity (team or project)	Dec 30, 2015 2:50:00 PM	Baker, Henry M.	Dec 30, 2015 2:50:00 PM	239	Oct 5, 2016 12:00:00 AM
Fulmer, Susan M.	Tenure - Year 1	Review career path opportunities	May 16, 2016 11:43:40 AM	Foster, Jaeanne R.	May 16, 2016 11:43:40 AM	101	Oct 3, 2016 12:00:00 AM
Klein, Kim	Tenure - Month 3	Give specific success criteria for the next three months	Jan 4, 2016 11:47:45 AM	Thayer, Paul	Jan 4, 2016 11:47:45 AM	234	Oct 22, 2016 12:00:00 AM
Ling, Beth	Growth Opportunities	Discuss career opportunities	May 16, 2016 12:36:00 PM	Dibben, Ivan L.	May 16, 2016 12:36:00 PM	101	Oct 3, 2016 12:00:00 AM

Ultimate SOFTWARE

Source: Ultimate Software 2017

Figure 5: Add Leadership Actions

**Add Leadership Actions**

Unique actions may be added by managers to cultivate the behaviors that best represent their distinct organizational culture

Source: Ultimate Software 2017

Figure 6: Notification Example

**Notification Example**

Key analytic measures alert a manager to a potential retention risk

Source: Ultimate Software 2017



Figure 7: Configure Leadership Actions

**Configure Leadership Actions**

Managers can add or change their Leadership Actions for an Employee

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Source: Ultimate Software 2017

Figure 8: Change Leadership Action

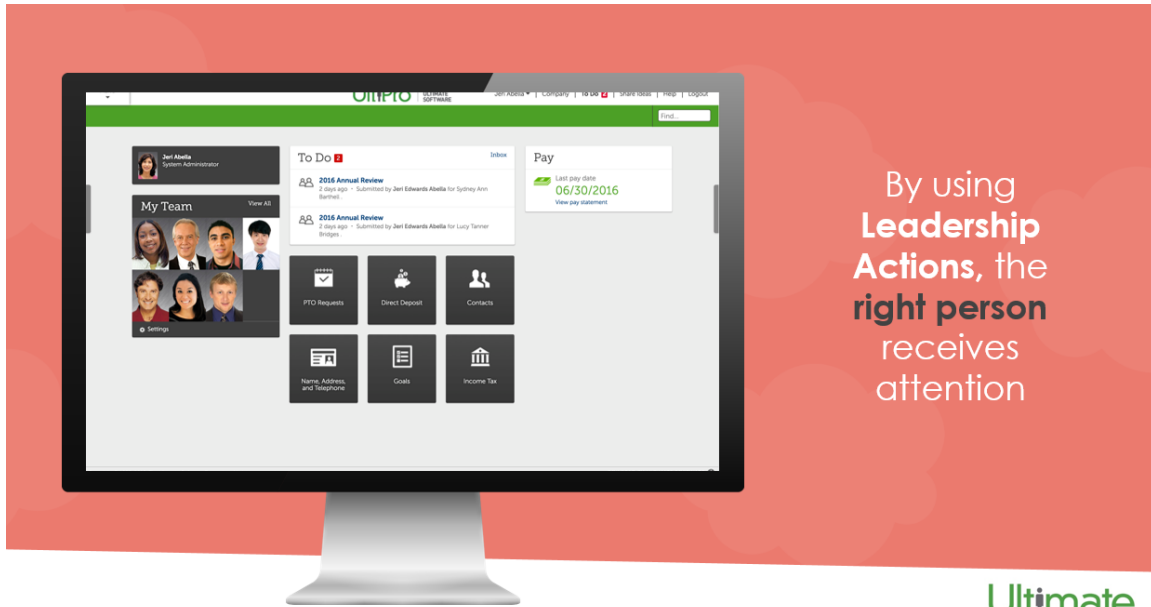
**Change Leadership Action**

Managers may monitor and adjust actions on an ongoing basis, choosing from best-practices that may be tailored to an individual employee's need

Ultimate SOFTWARE

Source: Ultimate Software 2017

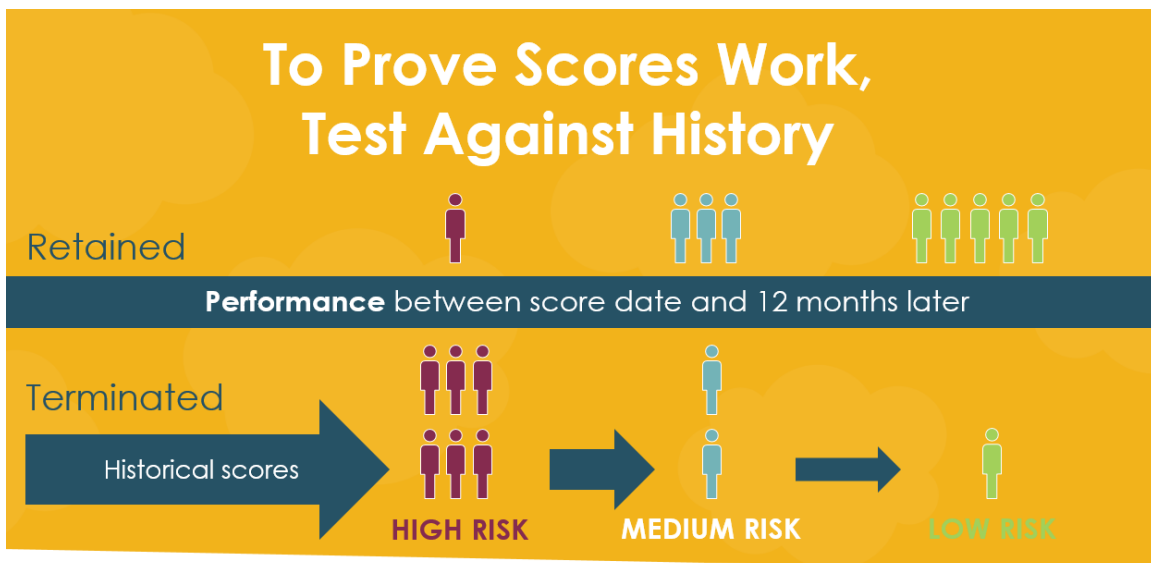
Figure 9: Leadership Actions



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Source: Ultimate Software 2017

Figure 10: Testing Against History



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Source: Ultimate Software 2017

## Measureable Results

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Gartner estimates that organizations leveraging predictive analytics will increase profitability by 20%. Best-in-class organizations are twice as likely to have a process to identify and retain high-potential talent and three times more accurate in executing decisions as intended.

By embedding actionable insights at key decisions points, Leadership Actions leverages the predictive metrics of the UltiPro Retention Predictor® and UltiPro High Performance Indicator® with key insights at decision points. Implementation of UltiPro Leadership Actions has been successful since it became available to customers in spring 2016.

### Client 1: Insurance Company

A 2,000-employee insurance company, based in the Southwest and serving more than 1 million customers in 49 states and 23 countries worldwide, leveraged its workforce data and utilized predictive analytics to better manage and retain its talent.

“We found that the UltiPro Retention Predictor® was more than 90 percent accurate in indicating our retention risks. With Leadership Actions, we went from a one-time, annual review to an ongoing coaching dialogue between managers and employees. Knowledge is power, so the more actionable information put into the hands of our managers, the better decisions they make to retain key talent.” – **Vice President of HR**

### Client 2: Non-profit Organization

A 740-employee non-profit organization based in the Northeast was able to positively impact a high-performer term rate, which surpassed the company’s overall term rate. The non-profit utilized the UltiPro Retention Predictor® to identify 52% more terminations in its high-risk group and deployed Leadership Actions to empower its managers to proactively select activities to better coach, inspire, and engage employees.

“Within a week of activating Leadership Actions, we were able to identify essential employees at risk of leaving and take action. We believe the cost savings in increased retention will enable us to be more efficient and greatly reduce the costs associated with the replacement of key talent.” – **IT Director**

### Client 3: Manufacturing Company

A 650-employee international manufacturing company based in the Midwest was challenged by limited visibility into its multinational employees, restricting its ability to make strategic decisions to increase engagement and retention. After deploying UltiPro’s



predictive analytic tools, the organization has been able to deliver real-time metrics that indicate an employee's flight risk.

“One of the key drivers in our original selection of UltiPro was being able to access and report on information for our international employees. With the predictive analytics tools, we now have instant access to metrics that identify top performers and flight risks. The actionable tasks embedded in UltiPro gives managers greater support to make informed decisions with their teams.” – **HR Director**

## About Brandon Hall Group

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Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management. With more than 10,000 clients globally and more than 20 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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