

Optimizing Supervisory Organizations: Insights, Challenges, and Future Directions for Effective Workforce Management

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Abstract

Supervisory Organizations form the backbone of Workday's human capital management (HCM) framework. As a structural entity, they organize employees based on managerial hierarchies and facilitate seamless workflow management. Proper configuration and maintenance of SOs are critical to ensure streamlined workflows, compliance, and accurate reporting. This white paper explores the concept, significance, and management of Supervisory Organizations in Workday, identifying challenges, offering solutions, and discussing the future scope of the concept.

1. What is a Supervisory Organization?

In Workday, a Supervisory Organization is a hierarchical organization used to structure workers in lines of reporting. The structure defines the way employees are supervised and related in an organization. Each Supervisory Organization has a leader at the top, normally a manager and team members who report to this manager. Managers sit at top of the supervisory organizations and not part of the same supervisory organization.

Below are the key aspects of supervisory organizations:

1. The managerial framework reflects the reporting structure.
2. Assigns employees to specific organizations they belong to.
3. Based on organizations' structure, pre-defined roles and responsibilities defined by access control
4. In Business Processes supervisory organizations help initiate workflows, approvals, and task assignments.

Well-planned systems operations align with the operational goals of an organization, hence they become scalable and responsive to alterations such as mergers, reorganization, or new hiring. For Example: A retail company can establish individual Supervisory Organizations for its stores, each of which is led by a Store Manager. All the store's employees report to the Store Manager, thereby providing effective processes. [1]
[2]

2. Why are Supervisory Organizations Important?

Supervisory organizations in Workday are a foundational base. This section details the importance of these supervisory organizations [2].

- Efficient management of workflows: Supervisory Organizations facilitate easier routing of work and approvals to the individuals concerned for efficient workflow management.

- **Better Reporting and Analytics:** They offer valuable information on team performance, workforce allocation, and resource allocation.
- **Compliance and Security:** Roles and permissions for Supervisory Organizations ensure data security as well as compliance with organizational policy.
- **Scalability:** As organizations expand, Supervisory Organizations facilitate expansion by introducing new hierarchies or positions.

3. Supervisory organization and Staffing models relationship:

Staffing models play a significant role in how supervisory orgs work in Workday. Here are the key things staffing models do for supervisory orgs [3]:

1. Staffing Framework

- **Job Roles and Structure:** Staffing models define the job positions within a supervisory org, who reports to whom and the org hierarchy.
- **Position Control:** Do all workers have to be in a specific position or can the org hire more broadly is defined by Position control.

2. Systematic Workforce Management

- **Position Based Model:** Supervisory orgs using position based models have more control as every worker is tied to a specific position. This helps with budgeting and headcount management.
- **Job Management Model:** This model has more flexibility as supervisory organizations can manage workers as part of a job pool, good for dynamic or project-based environments.

3. Role Based Access

- In Workday systems staff models also determine how access is assigned to supervisors and HR professionals so they can only do things aligned to the org structure.

By defining and enforcing the rules around hiring, workforce management and org structure, staff models ensure supervisory orgs work efficiently and in line with the overall org strategy.

4. How to Manage and Identify Issues

4.1 Management Best Practices:

1. **Initial Design and Configuration:** Initial design and configuration play a key role in later management of Supervisory Organizations. The supervisory Organizations needs to reflect the organizational structure and that can be achieved when supervisory organizations are created after analyzing organization's structure, workflows, and approval processes. Clear, descriptive names for Supervisory Organizations are a key for effective reporting and navigation. [4]
2. **Regular Audits:** Regular audit practice based on your organizational goal is an important task to maintain supervisory organizations and avoid role related issues. These reviews will help to maintain data accuracy.

3. **Role Assignments:** Establishing a process clearly defining roles and responsibilities will help in maintaining the Supervisory Organizations. Also following the workday defined guideline along with documentation will help managers and HR business partners to carry out supervisory org related changes easily and help to maintain Supervisory Organizations.[4]

4.2 Common Issues:

Below are the common issues that occur across various organizations related to maintenance of supervisory organizations:

1. **Orphaned Workers:** During events like restructuring, if any employee gets missed in the review process, he ends up with no supervisory organization leading to gaps in the hierarchy if that employee is a manager.
2. **Inherited Organizations/Duplicate Organizations:** When any manager leaves an organization then the whole organization gets inherited by superior manager of leaving manager. Even if the empty position gets filled, the inherited organizations remain as is causing duplicate and multiple inherited organizations.
3. **Broken Reporting hierarchy:** During events like reorganizations, Employees show reporting to one manager, but their supervisory organization does not get updated causing broken reporting hierarchy. These cause delays in approval due to broken workflow and impact approval process.
4. **Role Conflicts:** Defining clear roles and responsibilities is core in defining Supervisory organizations as overlapping permissions or roles within an organization can be a security risk. For example, if any organization has a matrix organization, then if roles are not defined well then Matrix managers get access to employee data, they are not supposed to have access for.

5. Tools for Maintaining Supervisory Organization

1. Standard and Custom reports to identify issues:

Workday delivers set of standard reports. If these reports meet your reporting requirements, users may use these. To use standard reports, search a task named “Workday Standard Report” and choose “Organizations” as reporting category for reports related to Organizations and supervisory organizations.

Using Advanced custom reports is one of the common ways to find out issues in supervisory organizations. Below is the definition of Supervisory Org Audit report used in my organizations. This report helps to find common issues with Supervisory Organization:

- Organizations with 0 employee count – This is one of the indicators to identify active organization that need to be either inactivated or they are orphaned.
- Supervisory Org misalignments: The calculated field identifies organizations where managers supervisory organizations don't match superior org. These misalignment uncover the reporting structure issues. These misalignments have other consequences since managers can view sensitive information for wrong employees and at same time approval chain might get routed to the wrong manager. At times, if compensation cycle is launched with this misalignment, employees show under wrong manager impacting compensation assessment of these employees.

Report Name	SupervisoryOrg_Audit_ [REDACTED]
Report Type	Advanced
Data Source	Supervisory Organizations
Data Source Type	Standard
Primary Business Object	Supervisory Organization

Additional Info	
Data Source Description	Accesses the Supervisory Organization object and returns one row per supervisory organization. Includes all active and inactive supervisory organizations. Contains built-in prompts.
Brief Description	

Columns				
Business Object	Field	Column Heading Override	Format	Options
Supervisory Organization	Supervisory Organization			
Supervisory Organization	Superior Organization			
Supervisory Organization	Supervisory Manager			
Supervisory Manager	Supervisory Organization	Manager's Supervisory Organization		
Supervisory Organization	[REDACTED] CF T/F is SupOrg Superiororg==MgrSupOrg?	Manager's Sup Org Matches Superior Org?		
Supervisory Organization	Employee Count			
Supervisory Organization	Contingent Worker Count			
Supervisory Organization	Level 01 from the Top			
Supervisory Organization	Level 02 from the Top			
Supervisory Organization	Level 03 from the Top			
Supervisory Organization	Level 04 from the Top			
Supervisory Organization	Level 05 from the Top			
Supervisory Organization	Level 06 from the Top			
Supervisory Organization	Level 07 from the Top			
Supervisory Organization	Level 08 from the Top			

Figure 1: Supervisory Audit Report

Calculated Field - True/False Condition [REDACTED] CF T/F is SupOrg Superiororg==MgrSupOrg?					
Field Name [REDACTED] CF T/F is SupOrg Superiororg==MgrSupOrg?					
Business Object Supervisory Organization					
<div style="display: flex; justify-content: space-between;"> Calculation Additional Info Where Used </div>					
True/False Condition					
1 item					
And/Or	(Field	Operator	Comparison Type	Comparison Value
And		[REDACTED] CF LRV Supervisory Organisation Manager's Supervisory Org	in the selection list	Value from another field	[REDACTED] Superior Organization

Figure 2: Calculated Field 1

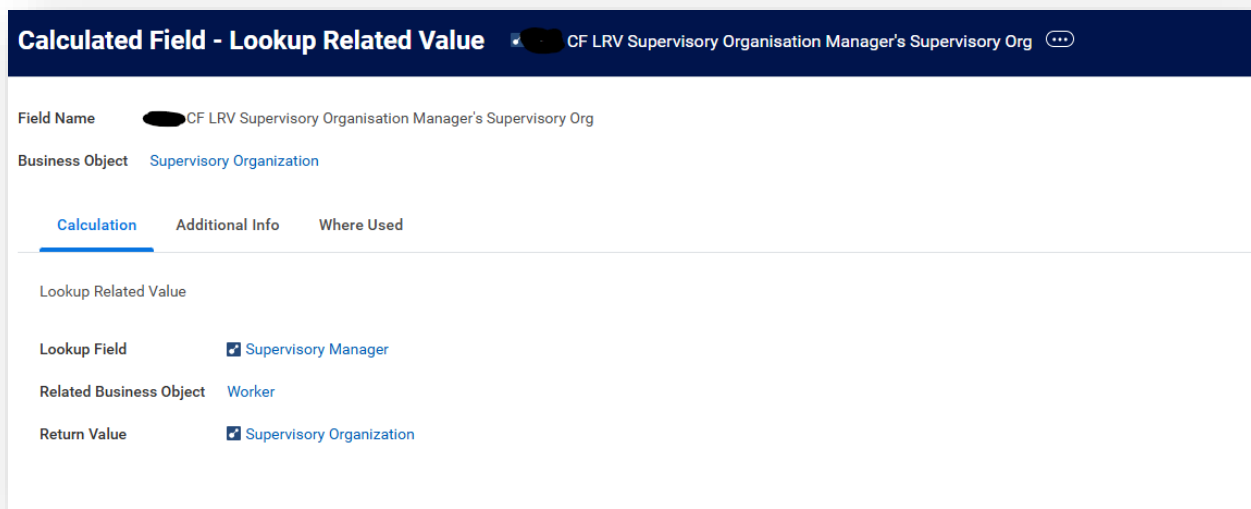


Figure 3: Calculated Field 2

2. **Org Studio and Mass Actions:** Many organizations go through bulk reorganizations, due to events like leadership changes or acquisitions. Workday has a new set of features, released during 2021R, that allow users to draft, collaborate on and finalize the organization change. The feature is called “Org Studio and Mass actions”, and it processes multiple organization-impacting changes together using a drag-and-drop interface. This interface enables users to iterate through the planning stages with stakeholders using current organization charts and data. Once the plan is approved by stakeholders, models and data are transferred to worksheets by workday. Here, again worksheets can be refined, and new changes can be implemented as mass action [5] [6].
3. **EIB’s:** Enterprise interface builder (EIB) helps process high volume transactions. Below listed EIB’s could be used when updating supervisory hierarchy [6]:
 - Add Update Organization: Create new supervisory organizations and update existing organization information.
 - Assign Roles: Add, update, and remove manager role assignments.
 - Close Position: Close positions in organizations for inactivation.
 - Inactivate Organization: Inactivate supervisory organizations that are no longer in use.
 - Move Workers by Organization: Transfer workers and open positions between supervisory organizations.

6. Future Scope

Based on current functionality available with the supervisory Organizations, below list updated potential future scope for supervisory organizations in workday:

- **AI-Driven Optimization:** Utilizing the latest technological advancements, artificial intelligence and machine learning can be employed to recommend enhancements for supervisory organizations based on organizational trends and analytics.

- **Dynamic Organizational Structures:** Improving support for flexible hierarchies that can adapt to project-based teams or cross-functional collaborations will be a game changer in supporting dynamic organizations structures.
- **Enhanced Reporting Tools:** Enhancing reporting capabilities supported by machine learning features such as generating dashboards with predictive analytics and actionable items will be topmost feature preferred by organizations using workday.

7. Conclusion

Supervisory Organizations play a crucial role in maximizing the effectiveness of Workday. By structuring employees according to their managerial relationships, they help ensure operational efficiency, accurate reporting, and compliance. However, their success relies on thoughtful planning, consistent audits, and alignment with business processes. Taking a proactive stance on managing Supervisory Organizations not only aids in daily operations but also prepares the organization for scalable growth and transformation. Looking forward, advancements such as AI-driven enhancements and flexible structures are set to enhance the impact of Supervisory Organizations in the future of work management.

References

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- [2] Workday Community, [Oct 2023], Set up Supervisory Organizations, <https://doc.workday.com/admin-guide/en-us/manage-workday/organizations/dan1370797386252.html>
- [3] Workday trainings [n.d] ,<https://workdaytrainings.com/workday-hcm-supervisory-orgs-and-staffing-models/>
- [4] Best Practices in Workforce Management, [n.d],<https://www.shrm.org>
- [5] Workday Community, Setup Considerations: Org Studio and Mass Actions,[n.d.]<https://doc.workday.com/admin-guide/en-us/manage-workday/organizations/org-studio-and-mass-actions/prq1551821683080.html?toc=2.13.0>
- [6] Supervisory Organizations 101: Back to Basics, [n.d.], <https://kognitivinc.com/blog/supervisory-organizations-101-back-to-basics-1/>