NGA Human Resources

HR Data:
Great Power,
Great Responsibility
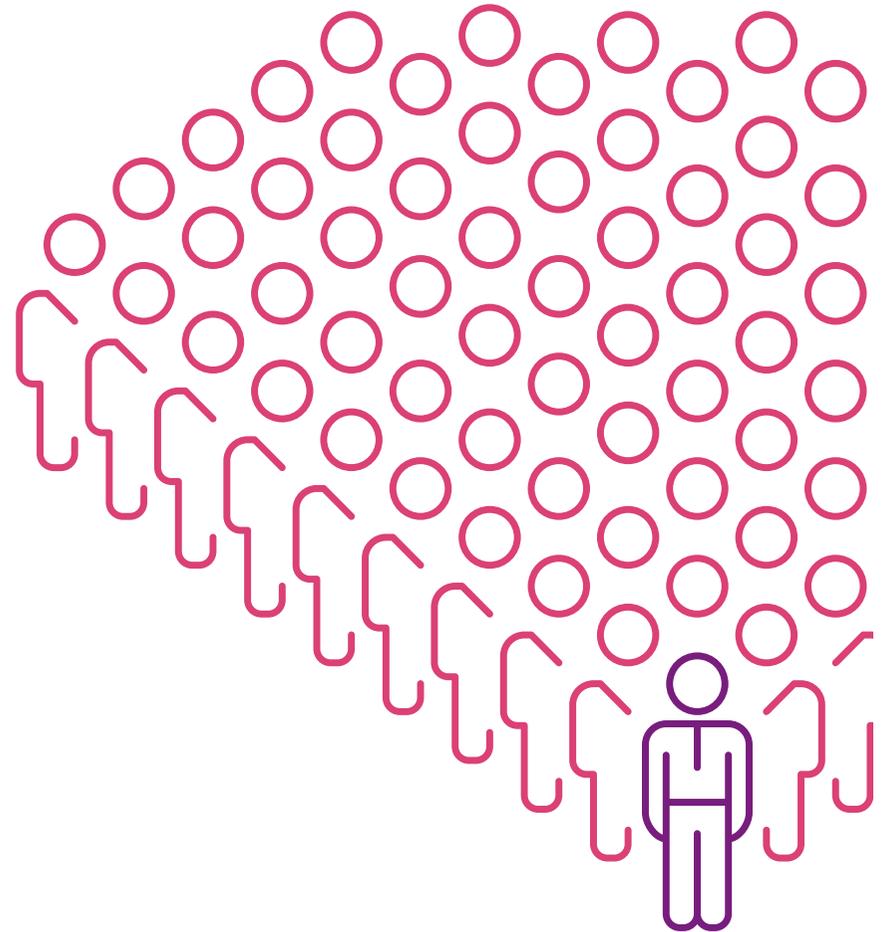
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About the Author

This report has been written by Richard Shinton, Product Manager at NGA Human Resources.

Richard Shinton is a Product Manager with over 20 years of experience specialising in all things business intelligence. The first 19 years with NGA Human Resources were spent building a successful Business Intelligence Support team centred around high levels of data-driven customer service.

He has taken that experience and knowledge and brought it to bear in the ever-changing and fast-paced world of business intelligence and analytics. Using the richness of ResourceLink data, he is able to drive new innovation into the business intelligence tools our customers use.

Introduction

Data-driven decision making is a core part of business strategy. A growing ability to collect data makes HR departments and the reporting they provide an invaluable tool for business leaders.

Today, leaders must balance important business needs with crucial people factors to be successful. Talent must be identified, onboarded and nurtured. New working patterns enabled by new technology must be understood. A fresh generation of employees need to be engaged and rewarded.

In the developing workplace, businesses that do not understand their people will struggle to get the best from their employees. Organisations need this data to help determine which strategic projects – such as digital transformation initiatives – to put into effect. As the department with the data on people, it's little wonder that HR has increased clout in overall business decision making.

But with increased importance comes greater responsibility. As HR becomes more central to business success, its leaders face several major practical challenges, not least the increasing need to deliver high-quality data for the Board and CEOs.

To understand this evolving relationship, we commissioned UK and Ireland-wide research to examine the expectations of CEOs and how HR leaders are coping with the challenge. The results, taken from 100 CEOs and 250 HR professionals, show that many HR departments need to consider how best to keep pace with the needs of the C-suite.

None of these challenges are insurmountable, but they must be identified, understood, and addressed so HR can continue to play a major role in business decision making.

The business challenge

The scale of HR's importance to the wider business is revealed in the fact that 94% of CEOs consult with HR before making business decisions, while the department informs business strategy in 91% of the organisations surveyed.

Business leaders are clearly placing significant responsibility on their HR teams, and therefore require accurate and up-to-date information on which to base their strategic decisions. Yet the research found that data from HR is yet to deliver its full potential.

For example, 69% of CEOs say they need improvements in the timeliness of HR reporting, while 63% state they would like more accurate reporting – and a similar proportion (62%) cite a desire for greater relevance in HR reports. There is clear evidence that HR data demand is growing, with over three quarters (77%) of CEO respondents saying that they would like to receive more data.

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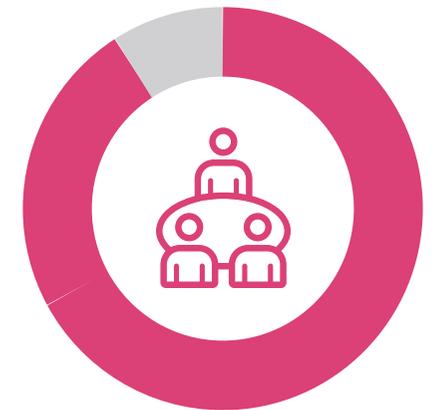
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A HR department's ability to communicate data is not just crucial for making decisions about staffing resources – it can also be critical for questions of compliance. One example is details of corporate diversity and the gender pay gap, with only two thirds (69%) of CEOs aware of this data.

Meanwhile, the structure of reports is an area for action. 22% of the CEOs interviewed said that their reports were too complicated and 22% said they lacked sufficient data on which to base business decisions.

In an increasingly data-driven world, CEOs and HR departments need to work together to make critical strategic decisions.

So, what's holding them back?

22%

of CEOs stated that reports are too complicated.

The reporting gap

One of the most revealing findings from the research is the time required by HR departments to create reports, with a third (34%) saying that it takes them more than a day a month, while over 10% say that they spend more than a week each month.

Much of this time is spent on the resource-intensive process of data entry, cited by 33% as the most time-consuming aspect of reporting, while 30% identify creating the reports themselves as the biggest drain on their time.

10%
of HR departments say that they spend more than a week each month creating reports.

33%
of HR departments find data entry the most time-consuming aspect of creating reports.

34%
of HR departments take more than a day a month creating reports.

30%
identify creating the reports themselves as the biggest drain on their time.

Simply put, HR professionals are spending a significant amount of time generating reports and many lack some of the employee metrics that CEOs need. For example, just 70% of HR respondents are tracking employee absence and attendance, with only a little over half providing information on staff training (58%), recruitment (61%), and career progression (50%). Also, less than half (49%) are tracking staff retention, which can be crucial for identifying the rate of (and reasons for) employee churn.

70%

of HR respondents are tracking employee absence and attendance.

61% are providing information on recruitment.

58% of HR respondents are providing information on staff training.

50% are providing information career progression.

49% are tracking staff retention.

To enable CEOs to gain a picture of their business' preparedness for the future, insight from HR leaders is so important.

Our research found that only 16% of HR respondents have weekly contact with the CEO, with the majority (79%) interacting once a month or less. 39% said that they report to the Board through informal conversations and 56% said that their main contact with CEOs is through digital reporting.

For many organisations HR is not yet able to completely satisfy a CEO's need for accurate, detailed and timely reports and need better tools to help them collect and present information for the Board.

16%
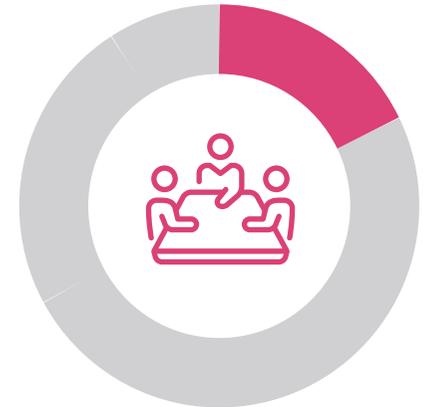
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The solution

With so many HR-oriented tools and technologies competing for attention, it can be difficult to know where to start when seeking to close the reporting gap. We recommend that HR leaders look at how easy it is to access relevant and up-to-date information and compile it quickly into professional reports and dashboards.

The solution should integrate with their HR system, enabling users to pull together rich management information and map these against a wide range of HR and payroll metrics, such as absenteeism or the gender pay gap. Advanced analytics and reporting tools will enable them to create bespoke reports, measured against a range of defined KPIs.

This will enable the HR department to create highly-detailed reports that are focused on the strategic questions the business faces. Aside from the ability to create a range of bespoke reports at the push of a button, HR departments should also look for a solution that alerts them to potential issues, rather than having to search through the data themselves to discover areas of concern. Customisable alerts will enable businesses to monitor areas that are of importance; such as informing the HR team when employees are coming to the end of their probationary period, remind them of reporting deadlines, or highlight periods of sickness or unauthorised absence that have gone unnoticed.

Conclusion

HR is the department that looks after the workforce's wellbeing and ensures that employees have the support they need to succeed in their career. Data handling and reporting is just one of a huge range of tasks HR departments are responsible for. As such, it's essential they are supported to fulfil their role.

The HR department has earned its place at the centre of business decision making. Choosing the right tools will enable HR leaders to unlock the full power of accurate, timely and relevant data on any topic imaginable, while saving them significant amounts of time that can be re-invested in making the business – through that all-important employee experience - even better.

For more information on how NGA HR can help please contact 0800 035 0545 or email hrsolutions@ngahr.com

NGA Human Resources is a global leader in helping organisations transform their business-critical HR operations to deliver more effective and efficient people-critical services.

We help our clients become better employers through smarter, more streamlined business processes – to save money, manage employee life cycles and support globally connected, agile organisations. This is how NGA makes HR work.

What sets us apart is The NGA Advantage. It's a combination of deep HR experience and insight, advanced technology platforms and applications and a global portfolio of flexible service delivery options.

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