

HR leaders struggle with lack of analytics tools with little ability to create insights from data

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84% of leaders see analytics as critical to business but almost half have only basic capability

A recent survey carried out by Fairsail, the award winning provider of global cloud HRMS to mid-size organisations, reveals that despite the increasing importance and recognition of analytics to drive workforce decisions and business growth, HR teams are still struggling with a lack of tools, skills and understanding.

The findings, commissioned by Fairsail and carried out by Expedite HR Consulting throughout April and May 2015, reveal that of 150 senior leaders in business and HR, 38% claim to have little, basic or no understanding at all of workforce analytics.

Despite this, of those questioned, 41% believe workforce analytics to be increasingly critical to the success of the business, and 43% believe them already to be important, to very important. Only 13% of leaders were very confident that their teams understood analytics to the point where they could drive improved business performance, whereas over 40% were not confident in their team's ability to interpret and act on analytics.

“Following our recent Invisible Employee Syndrome research and report, this survey goes another step in telling us that many organisations are challenged by the lack of workforce analytics tools and necessary skills to enable data driven decisions about hiring, growth and management,” said Adam Hale, CEO at Fairsail. “There is growing recognition that this is a critical area for HR teams, but organisations are failing to make this a high priority, despite serious concerns regarding talent gaps and low levels of employee engagement.”

When asked about satisfaction levels with the analytics tools currently available to them, only 6% reported being very satisfied, 41% claimed to be dissatisfied, and a further 8% had no analytics capability at all. Only 14% of respondents were using analytics to make strategic decisions, with 69% restricting it to basic operational insights and reporting. Basic spreadsheets rather than analytics tools are reportedly being relied on in 15% of organisations.

“It is no wonder that employee engagement is such a challenge when you consider the state of many HR systems in mid-size organisations, and the tendency to rely on spreadsheets for managing business-critical workforce data. Despite the focus and discussions around intelligent data and analytics, there is a worrying gap between the possible and the actual. It's time for organisations to make this a priority and take advantage of some of the first-class tools now available,” added Hale.

In terms of how organisations viewed the future of analytics, 62% of respondents had no plans to invest in analytics tools in 2015, with 27% of respondents citing they had no budget. This is despite 49% stating that they struggled with their current HR system's reporting and analytics capabilities.