

# Data-Driven Decision-Making in HR





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# The Era of Data

Who needs data? If you're a business owner or manager, you do! There's no doubt we currently live in a data-driven environment, and data is changing the face of the business world for the better. In today's world, data is key to a business's growth, productivity, and success, because data empowers business leaders and managers to make better decisions based on facts, trends, and statistics.

What is data? Simply put, data is information. And whether you run a large corporation or small mom-and-pop business, your company's ability to harness that data can mean the difference between staying ahead of the pack, lurking in the middle, or lagging behind.

## Ways Businesses Can Leverage Data

- Identify New Customers and Retain Current Customers
- More Effective Marketing
- Track the Company's Success
- Measure Employee Performance
- Identify Problems
- Make Informed Decisions
- Save Time
- Increase Productivity and Profit
- Improve Decision-Making

Knowledge is power, but if you're unable to manage your data and utilize it, it's useless; that valuable data is just taking up space on your computer system.

## DID YOU KNOW?

Studies show that 75 percent of the data companies collect goes unused.



However, by utilizing software systems designed to collect and report data, you can harness the power of data to grow your business and maximize your company's efficiency.

## Current Trends

While data collection has long been a crucial resource, it has become more important than ever since the COVID-19 pandemic, especially for human resources departments who are now dealing with many employees still working remotely. With technology always getting better, faster, and more sophisticated, staying current on data management trends—and ensuring you're utilizing technology to best meet the needs of your company—is crucial.

For example, the evolution of cloud software now enables businesses to track data in real time, while recent advancements in artificial intelligence can enhance data security and help managers make sense of all that data collected. But not all companies are reaping the full benefits of the data they amass.

**72%**

*of survey participants report that they have yet to forge a data culture.*

Although some companies, like Netflix—which saves \$1 billion a year retaining customers by utilizing its vast data—are taking full advantage of data technology, many more are not. In fact, poor data quality alone will cost the US economy a startling \$3.1 trillion a year. And a 2019 survey by the Harvard Business Review found that **72% of survey participants report that they have yet to forge a data culture**, while the percentage of firms identifying themselves as being data-driven steadily declined over a three-year period—from 37.1 percent in 2017 to 32.4 percent in 2018 to 31.0 percent in 2019.

However, the amount of data continues to rise in every sector of life, and firms must learn how to process and incorporate that data into their decision-making to be successful. Need proof? High-performing organizations are three times more likely than others to say their data and analytics initiatives have contributed at least 20 percent to their operating income.

# The HR Data Lag

Of those businesses currently benefiting from data collection, the departments most likely to incorporate data in their decision-making are marketing, sales, and product development. Despite the potential benefits, human resources departments habitually lag behind other departments in data usage. According to a survey report from software company Sage People, while 83 percent of HR leaders agree that all people decisions should be based on data and analytics, only 37 percent actually use data to solve their HR issues. In fact, a survey conducted by IT company Sierra-Cedar found the most popular tool for business intelligence and HR analytics was Microsoft Excel, which simply can't process big data.

However, data plays an integral role in HR decision making and workforce management—tracking employee turnover, revenue, and time off taken; enhancing staff retention; maximizing employee performance and satisfaction; optimize hiring; evaluating HR practices and training; and more.

So why aren't more HR departments leveraging the power of data? The biggest problem for most HR departments is they don't have the tools and technology to successfully delve into HR analytics.

The top three reasons HR decisions aren't data driven:

- 1 Leaders lack the strategic insight they need to solve retention problems and other issues.
- 2 There is no system in place to monitor employee engagement.
- 3 HR directors struggle with how to use people data.

Clearly, for HR departments, the key to success in utilizing is finding the right set of tools that enable the organization to efficiently generate value through the process.



# Developing Data-Based Decision-Making in HR Departments

How can HR departments evolve to reap the benefits of data in their decision-making processes?

- 1 They must have the data to analyze, which means collecting it and then having the means to analyze it to make informed decisions. This requires an HRIS system, so if an HR department has not adopted one, they cannot move forward.
- 2 HR departments must create a culture of data-based decision-making that is embraced from the top down. This means overcoming many traditional HR practices and ideals that no longer serve the better good of the company in the current age of technology.

These include:

Concerns about compliance and privacy



Challenges in gathering and preparing data for analysis from multiple departments



HR directors often lack data analytic skills



Insufficient IT resources to analyze data



Resistance to the idea of losing the “human” component of human resources when utilizing people analytics



Luckily, a good HR software program can address and solve all of these concerns.

# The OrangeHRM Solution for HR

An HRIS program—specifically one that collects and analyzes data—is imperative to successfully integrating data in HR departments. Imagine having the ability to generate customized reports compiled from all the data collected, create graphic depictions of trends and performance, and extract portions to share with team members or leadership. OrangeHRM’s reporting features provide all the data HR managers need to make informed decisions . . . all at their fingertips.

## OrangeHRM Reports Features

### ■ Custom Reports

Every business is unique, which is why OrangeHRM Reports allow users to tailor reports for their specific needs. Reports can be created and generated for all data across all pillars in the system, including:

#### People Management

- Personal details, job, salary, supervisors, skills, licenses, memberships, immigration status, etc. (i.e., head count reports, termination reports, service period reports, etc.).
- EEO Reports

#### Compensation

- Ability to view leave entitlements, leave balance, and used leave based on a department or a location.
- Reports can also compile used leave information such as leave request dates and leave usage dates.
- Reports to view employee attendance, absence information, regular time, overtime, double time, early departures, late arrivals, etc. can also be generated.
- Generate reports on overall time consumption for projects and associated tasks, specific employee time spent on projects and associated tasks, and employee overtime reports.

## Culture

- Generate reports on employee participation and feedback on training and reports on training quality and trainer feedback.
- Review who has or has not completed appraisals. Compare the competency rating of each individual, department, or locations. Extract feedback by each evaluator into an Excel spreadsheet.

## Talent Management

- Reports on the progress of events related to onboarding and participation summary reports.
- Reports on hiring trends, vacancies, open positions etc.

## ■ Graphical Reports



Pictorial representations organize data into a concise, easy-to-comprehend “big picture” view of HR issues. OrangeHRM’s Reporting and Analytics Software allows for the customization of graphic reports to show trends and allow HR decision-makers to visualize the data they need to answer questions and view trends.

## ■ Extraction of Reports

With OrangeHRM's reporting tool, once reports are compiled, they can be extracted and shared with team members for review or additional analysis. Reports can be exported as a PDF or a CVS.

Making informed HR decisions can be challenging, but with the right software to collect data and make it easily accessible, intuitive, and understandable, HR departments can leverage that data to work smarter and faster to meet their strategic objectives.

**“Better reporting empowers better decision-making.”**

## ■ OrangeHRM – The Single Platform Solution

With four-plus million active users in over 100 countries, OrangeHRM is uniquely qualified to help you digitally transform your HR department to meet your objectives and goals. OrangeHRM offers a single, integrated platform for HR functions, which speeds up the learning curve for managers and employees, requires less data entry, allows HR managers to generate comprehensive reports, and creates a beneficial collaboration between managers and employees.

In addition to a multitude of software modules for every HR need, OrangeHRM provides implementation services, worldwide customer support, hosting, and system maintenance. OrangeHRM's Starter version is a free and Open Source system, feature-rich, intuitive HR software that offers an essential HR management platform to a broad community of users, and includes on-premises installation and a variety of modules. However, unique businesses often require unique solutions and reporting requirements. That's why OrangeHRM also offers their Advanced version, a highly customizable, full-feature HR system.





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