



The 2018 OML AFRICA HR TECHNOLOGY USAGE SURVEY

Providing Insights for Organisations

REPORT HIGHLIGHTS – KEY FINDING

Our survey targeted HR practitioners from over 170 companies in Africa during the first and second quarters of 2018, OML Africa is pleased to present key findings from its 2018 HR Technology Usage Survey.

This survey was targeted at HR leaders who manage the day-to-day administration of the Human Resource at their various organizations. This report highlights several key insights into HR usage trends in Africa along with OML Africa's perspectives on the future of HR and Technology in Africa.

Technology has changed the business world many times over. This impact is seen in nearly all business functions including the Human Resource function, where technology continues to have a significant impact on HR practice. We wanted to find out the number of HR leaders using technology to manage HR data and administration.

By "technology", we mean the Human Resource Management Information System (HRMIS), Human Resource Information System (HRIS) or electronic record-keeping systems such as Excel sheets and customized databases. We also wanted to find out the number of HR practitioners using manual processes and systems to manage HR information. By "manual systems" we mean manual record-keeping systems such as paper-based record keeping systems.

This report highlights several key insights on HR technology usage in Africa particularly within Small and medium-sized enterprises (SME's).

The 2018 report is based on the views of Human Resource Practitioners from across nine (9) African countries including Nigeria, Kenya, South Africa and a large sample from Ghana.

Participants consisted of 63.2% women and 36.8% of men. Their ages ranged from 25 to 55 years old of which 28% were between the ages of 35 to 40 years old. The survey responses came from 33 sections of industries, with the largest number concentrated in financial services, including insurance, followed by Energy, Information technology, manufacturing, telecommunication, professional services, Education and air transportation.

Additionally, 54.8% of the practitioners surveyed were senior HR executives working at the managerial or director level.

44.5% of the responses came from practitioners working in organizations with 50 to 500 employees; 31.2% from organisations with less than 50 employees; 17% from organizations with 501 to 2000 employees and 6.3% from organizations with more than 3,000 employees.

Geographical characterization of the organizations was as follows 40.5% of the responses came from practitioners from national organizations; 22.5% from local organisations; 16.8% from International organisations (on 2-3 Continents); 7.5% of responses were from multi-national organisations (on 1 continent); 6.4% from global organisations with sites/operations around the world; 4% from non-government organization (NGOs) and 2.3% from other organisations.

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RESEARCH FINDINGS

One of the functions of human resources (HR) departments, involves the management of large amounts of data and administrative processes which is common to all organizations. The HR function typically consists of tracking existing employee data which traditionally includes biodata and personal histories throughout the employment relationship using manual systems such as paper trails and filing cabinets. To reduce the manual workload of these administrative activities, some organizations have automated many of these HR data and administrative processes. The objective of our survey was to find out the extent to which technology is being used in Africa by HR practitioners to perform HR day-to-day administrative tasks.

Technology usage

Our research shows that many HR practitioners in Africa have recognised the need to adopt technology to manage the voluminous HR data they handle daily with 73.1% stating in our survey that they use technology to manage HR information. We believe this reflects an understanding that technology is fast becoming an important driver of HR effectiveness and efficiency.

However, some HR practitioners continue to use manual record keeping systems with 26.4% of our survey respondents admitting to not using HR technology to manage their HR information mainly due to cost associated with HR systems or lack of skills. HR practitioners must work hard to make a business case for the importance of technology in streamlining HR data, systems and processes. In recent times with the introduction of the Cloud, many HR software providers are providing cost-effective HR platforms in the Cloud.

Type of HR system

We further probed to get a better understanding of usage. Our study explored usage practices.

In figure 2, most practitioners 34.4% reported that they use both manual and electronic systems to manage their HR information e.g. attendance; with 24% stating they use an on-premise HR system and 19.2% using Cloud hosted HR

Figure 1. Do you use technology to manage your Human Resource (HR) information

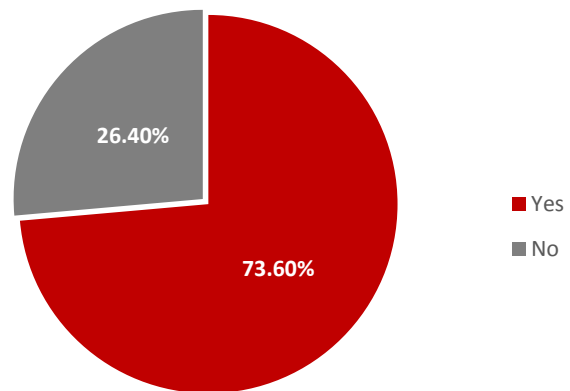
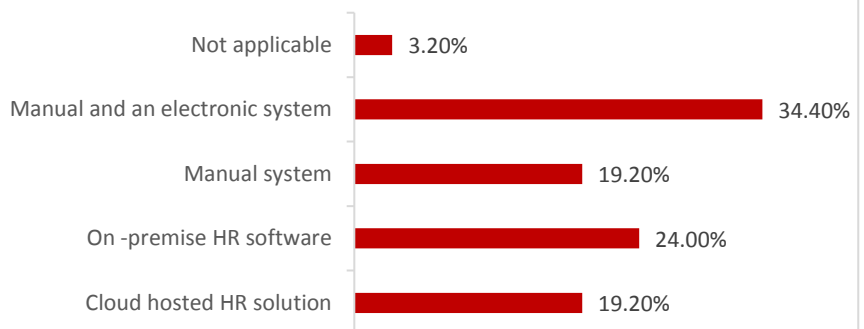


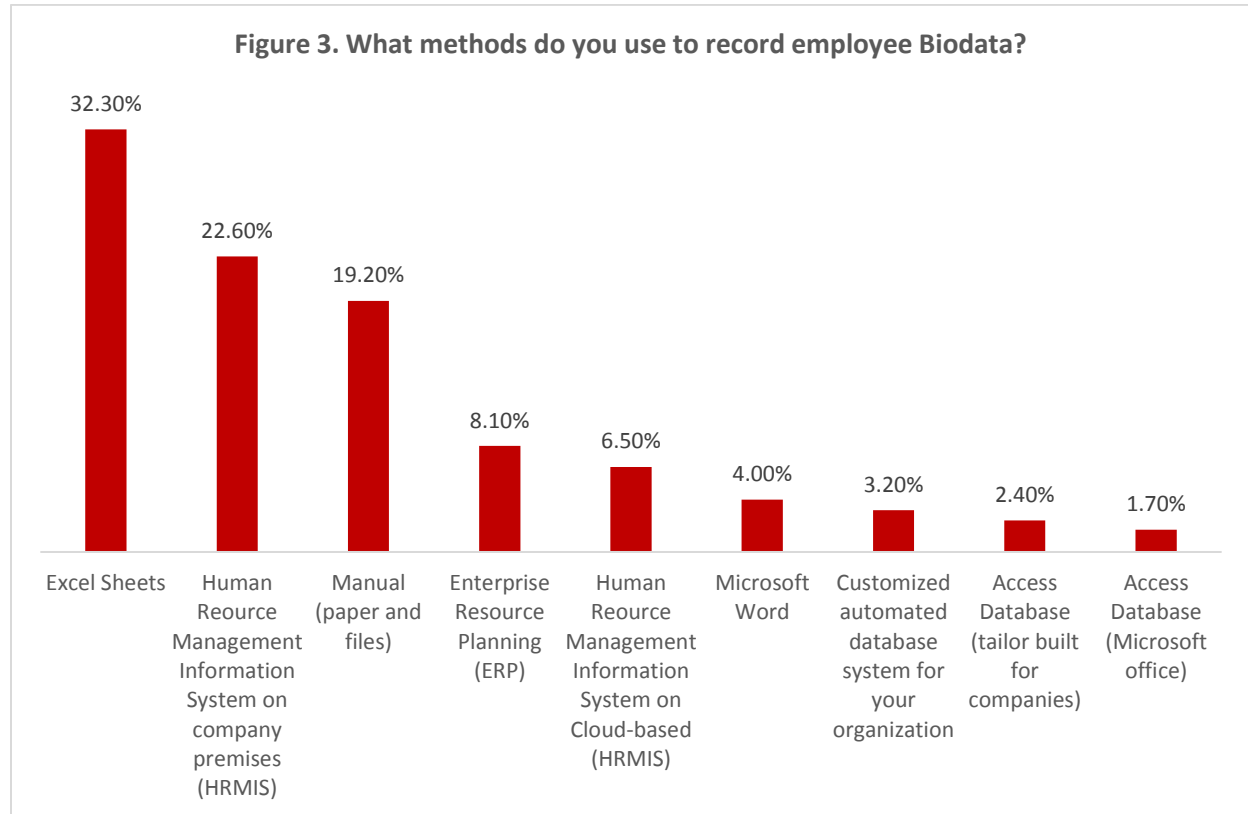
Figure 2. What type of system does your organization use to manage HR information?



solutions. However, 19.2% also admitted they only used manual systems to manage HR information in their organisation.

Methods of recording

We wanted to know how the practitioners were specifically using technology to manage the HR department with regards to administrative activities. We asked the practitioners the following questions regarding employee biodata and HR reporting, the findings were as follows:



Although the practitioners are using technology to manage HR data, a majority (32.3%) are using Excel sheets; with 22.6% using HRMIS on company premises and 19.2% admitting to using manual (paper and files) to record employee data. The implication is that although HR practitioners in Africa are using technology to manage HR data, a clear majority are using Excel sheets instead of an HRMIS or HRIS. Furthermore, of those using HRMIS, they have opted for the on-premises system with only 6.5% reporting that they use a Cloud-based HRMIS to record employee data; 8.1% stating they use an ERP system, with 11.3% using other methods like Microsoft Word and Access databases.

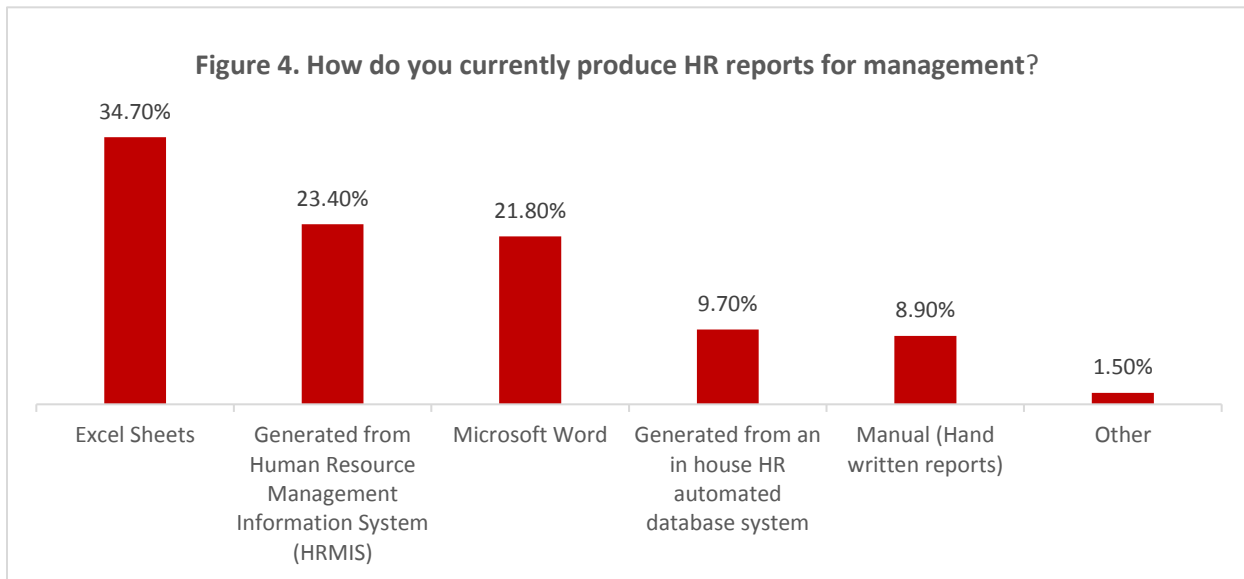
HR Analytics and reporting

We asked the practitioners “How do you analyze HR data for HR reports?”, 46.8% stated they used Excel to do data analysis for HR reports; 22.6% reported that they use an HRMIS on company premises to run HR analytics for HR reports; 11.3% admitted to using pen and paper to do data analysis for reports. Whilst 8.1% of practitioners used an enterprise resource planning (ERP) system and a further 8.1% also stated they used a customized automated database system developed for their organization to analyse HR data and a further 3.1% stating that they used an Access database system tailor built for their organisation to analyse HR data for reports.

The implication here is that it appears that Excel sheets remain the most popular electronic system for HR practitioners when it comes to HR data analyses and record keeping. Based on the responses, It is also likely that some of the practitioners who use HRMIS, ERP or custom databases may also be using Excel to do data analysis.

Generating reports

We asked the practitioners *“How do you currently produce HR reports for management?”*, 34.7 % stated that they generate reports for management using Excel sheets; 23.4% generated reports using HRMIS and 21.8% admitted that they used Microsoft Word to generate their reports for management. Also, 8.9% of practitioners reported that they use manual (handwritten reports) methods to generate reports for management.

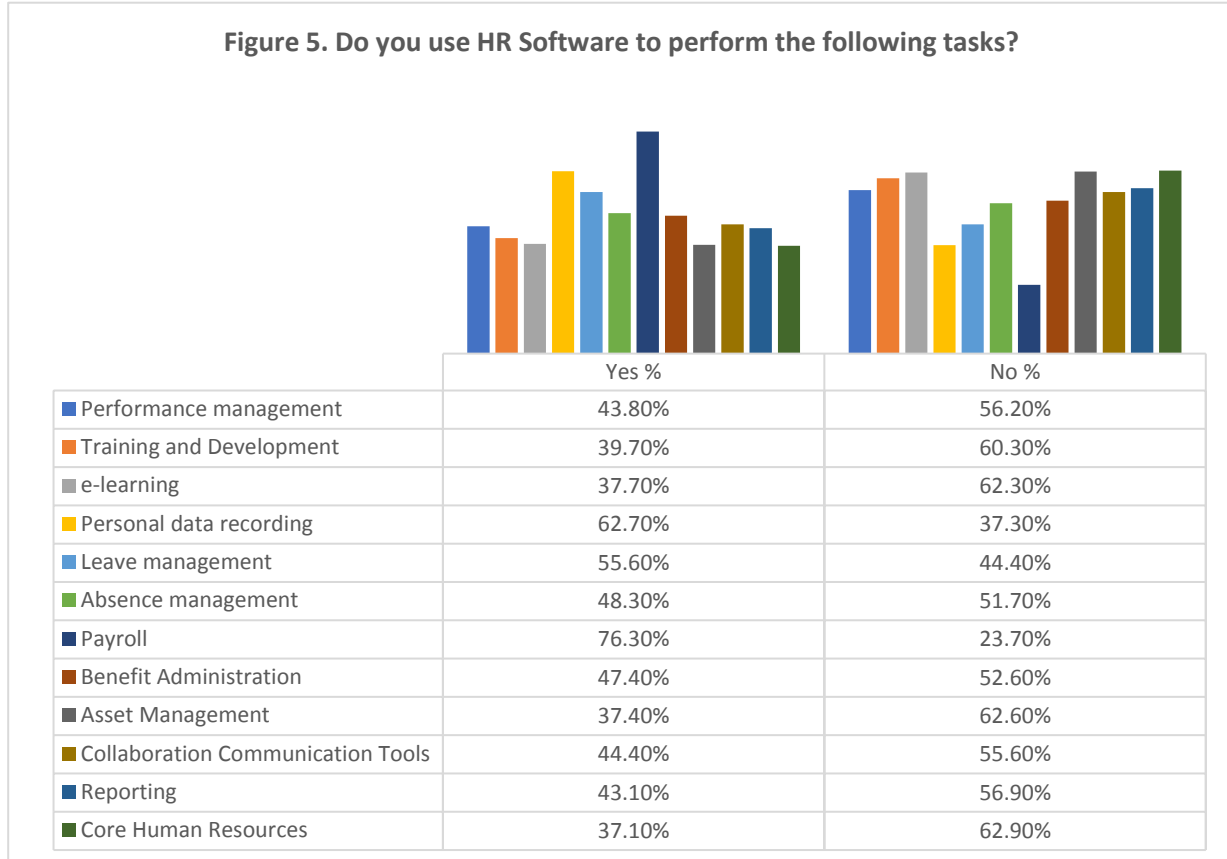


The implication is that most of the practitioners are using some form of electronic platform to produce HR reports for management with very few using manual methods to generate reports. It is possible to infer that the practitioners not using technology to manage HR data, may, however, use HR technology such as Microsoft Word or Excel to produce reports based on the responses.



Task performance

We asked the practitioners “Do you use HR Software to perform the following tasks?”. We have listed the top twelve (12) tasks performed by the practitioners using an HR software below:



The top three (3) tasks performed by practitioners using an HR software include payroll (76.3% of respondents); Biodata recording 62% of respondents and leave management 55.6% of respondents.

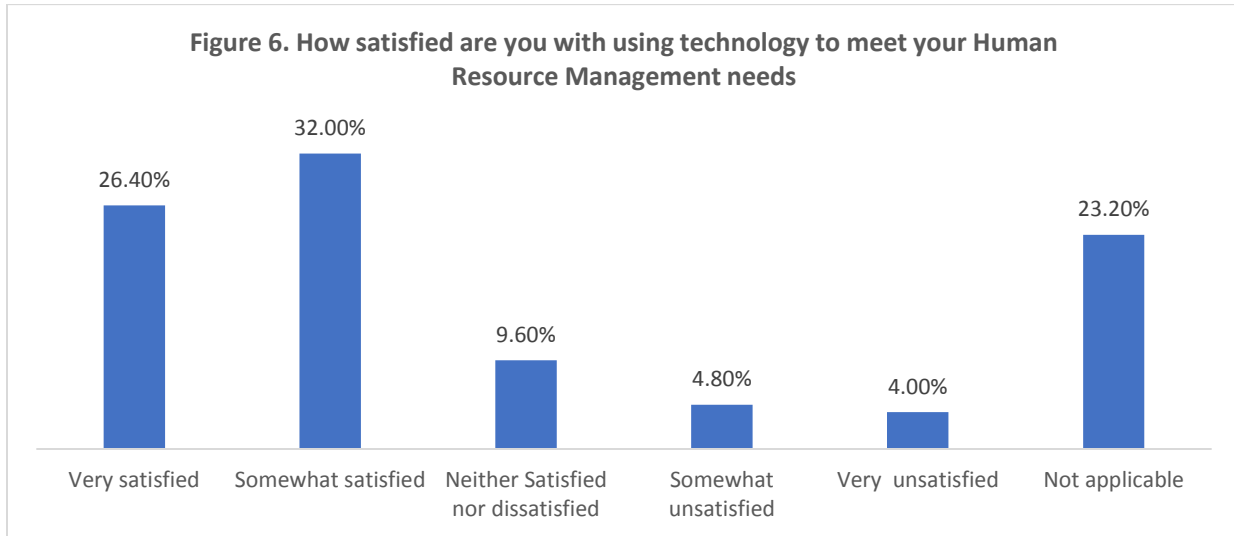
However, the findings also show that large amounts of HR tasks are being performed without the use of an HR software, but rather Excel sheets seem to be the electronic system that majority of HR practitioners are using to manage and keep HR records.

As high as 56.2% of our respondents do not use an HR software to manage the performance of employees; 60.3% stated they do not use an HR software to manage training and development tasks, with 62.9% admitting they do not use an HR software to perform core human resource tasks such as benefits administration (52.6%) or reporting (56.9%).



Satisfaction

We also asked, “How satisfied are you with using technology to meet your Human Resource Management needs?”, with 26.4% stating they are very satisfied; 32% stated they were somewhat satisfied; 9.6% stated they were neither satisfied nor dissatisfied; 4.8% very unsatisfied and 4% very unsatisfied. The fact that a clear majority of HR practitioners in our survey are satisfied with using technology to handle their day-to-day HR needs is encouraging. It implies that they see the need to be effective and efficient using technology.



Top priorities for implementation and upgrade

Finally, we asked the practitioners “In the next 12-24 months, what are your top priorities for technology implementation or upgrade?” The top seven (7) priorities were as follows in order of priority: (1) performance management; (2) core HR functions; (3) HR analytics; (4) recruitment; (5) talent management; (6) learning and development; (7) and attendance management.

The above list is not a surprise but rather confirms the seven (7) key areas of importance to HR and organisations in relation to technology acquisition, usage and upgrades.

OML Africa’s perspectives on the future of HR and Technology usage in Africa

Its good news for technology providers. Technology usage by HR practitioners can only continue to grow as Africa’s HR practitioners get more tech savvy. HR software developers need to maintain innovation and provide HR systems that are affordable and user-friendly. One of the most important functions for HR practitioners with regards to HR technology is the ability to customize templates and reports in the system as well as a platform like Excel to perform analytics within the system. Many HR practitioners would be delighted if Excel could plug into their HRMIS, to remove the need to export data into Excel to conduct data analysis. It is also important that HR

**“the future of HR
and technology in
Africa is bright”**

technology providers continue to speak to practitioners to understand their changing needs as well as find ways to get HR practitioners to experience their systems through practical demonstrations using their own data.

HR practitioners must continue to embrace existing and new technology as their organisation grow. Excel is a useful tool to use when the number of employees is low, however, once an organisation employs fifty (50) people and above it should consider acquiring an HRMIS to manage its employees. There is no doubt that HR technology makes HR administration easier to manage as well as more efficient.

HR practitioners currently not using an HR software to manage areas like talent management, recruitment, attendance, HR analytics, core HR or learning and development should consider acquiring an HRMIS system. These systems are specifically designed to manage these functions and will provide better insights, reduce administration, provide better controls and monitoring.

In conclusion, it is enlightening to see that HR practitioners in Africa are progressively embracing technology to manage HR information and administration. But there is plenty of room for improvement.

In our view the future of HR and technology in Africa is bright, it can only get better.



ABOUT OML AFRICA

OML Africa is a leading HR management consultancy that helps organizations in Africa to get results by aligning their human capital to their strategic business objectives through effective people, risk and financial management. With an international pool of associates and partners, we offer consulting support and solutions in the areas of talent management, outsourcing, OD, Advisory and risk management.

CONTACTS

For more on OML's Annual HR Technology Usage Survey, please contact:

Email: services@omlafrica.com

Call: +233 (0) 373379

Web: www.omlafrica.com