

HR Workforce Analysis: Cost Efficiency & Strategy Report

Data-Driven Analysis of Operational Health, Financial Allocation, & Performance Value

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Project: HR Workforce & Salary Dashboard

1.0 Executive Summary

This report analyses key insights from the final **Workforce & Salary Dashboard**, focusing on three core areas: **Operational Cost Efficiency**, **Workforce Distribution**, and **Talent Performance**.

The most urgent finding is a critical **financial leakage** within the **₦85M** salary budget, where a significant portion of expenditure is allocated to 'Pending' and 'Inactive' employees. Furthermore, the analysis identifies the **25–30 age demographic** as the highest-value investment group, while confirming that **216 'Poor' performers** represent the primary opportunity for organizational capability uplift.

2.0 Operational Health & Financial Status

(Source: Dashboard Section 1 - Status KPI Cards & Salary Spend)

This section evaluates the financial efficiency of the workforce and flags immediate operational concerns.

2.1 Key Performance Indicators (KPIs)

KPI Metric	Value	Status	Strategic Insight
Total Salary	₦85M	High Spend	Significant capital investment requires strict ROI validation.

KPI Metric	Value	Status	Strategic Insight
Total Headcount	1,020	Baseline	Total size of the workforce tracked.
Pending Status	356	CRITICAL	35.2% of staff are Pending. This represents a major cost leakage risk, not just a data quality issue.
Avg. Performance	2.58	Standard	Indicates moderate capability with significant room for growth.

2.2 Critical Insight: Financial Leakage

The **Salary Spend by Status** visualization highlights a major operational failure:

- **The Issue:** Salary spending is distributed across Active, Pending, and Inactive statuses.
- **The Impact:** The organization is incurring millions in payroll costs for **312 Inactive** and **356 Pending** employees.
- **Immediate Action:** An audit of the payroll ledger against the 'Inactive' list is required immediately to stop revenue leakage.

3.0 Distribution & Investment Focus

(Source: Dashboard Section 2 - Departmental & Demographic Charts)

This section analyses the "Where" and "How Much" of the workforce, focusing on departmental spend and demographic value.

3.1 Departmental Cost Misalignment

- **High Cost Centres: Devops and Sales** account for the highest salary spend and headcount.
- **Under-Investment Risk: Cloud Tech** remains the lowest headcount (146 employees) and lowest salary spend. Given the sector's reliance on cloud infrastructure, this under-investment poses a strategic risk.

3.2 Demographic Value Profile (ROI)

The Age and Salary charts provide context for "Value for Money":

- **Highest Cost:** Employees aged **36–40** command the highest salaries.
- **Highest Value:** The **25–30 Age Group** demonstrates the **highest average performance grade** despite lower average salaries.
- **Conclusion:** The 25–30 demographic represents the organization's "Sweet Spot" for recruitment—delivering high performance at an efficient cost basis.

4.0 Performance & Compensation

(Source: Dashboard Section 3 - Performance Distribution)

This section evaluates employee capability against the organization's average performance grade of 2.58.

4.1 Performance Score Breakdown

Performance Score	Headcount	% of Total	Strategic Action
Poor (1)	216	21.2%	Target for PIP/Training
Average (2)	267	26.5%	Development Potential
Good (3)	270	26.5%	Steady Contributors
Excellent (4)	267	26.2%	Retention Priority

4.2 Capability Insight

The **216 'Poor' performers** represent the largest single opportunity for improvement. Raising this group's performance to 'Average' is the fastest lever to increase the organizational average above 2.58.

5.0 Strategic Recommendations

1. **Stop Financial Leakage (Priority #1):** Immediately launch a joint HR-Finance audit to validate the payroll for **356 'Pending'** and **312 'Inactive'** employees. The goal is to eliminate salary payments to non-productive staff.
2. **Strategic Recruitment (Talent ROI):** Shift recruitment focus to the **25–30 age demographic** to maximize performance value while optimizing salary costs.
3. **Invest in Cloud Tech (Risk Mitigation):** Authorize headcount expansion for the **Cloud Tech** department to address under-staffing and mitigate technological risk.
4. **Targeted Capability Uplift (Performance):** Implement mandatory Performance Improvement Plans (PIPs) for the **216 employees** currently rated 'Poor' to drive overall organizational capability.

6.0 Conclusion

The comprehensive analysis of the HR workforce data confirms that while the organization maintains a stable average performance of **2.58**, it is currently facing significant **operational inefficiency**.

The immediate priority must shift from simple data cleaning to **Financial Governance**, specifically addressing the substantial salary spend allocated to Pending and Inactive statuses. Strategically, realigning recruitment to the high-performing **25–30 age group** and addressing the **216 low performers** will be essential for optimizing the **₦85M salary investment** and boosting overall organizational capability.

This report demonstrates that data transparency is the first step toward restoring financial discipline and driving strategic growth.