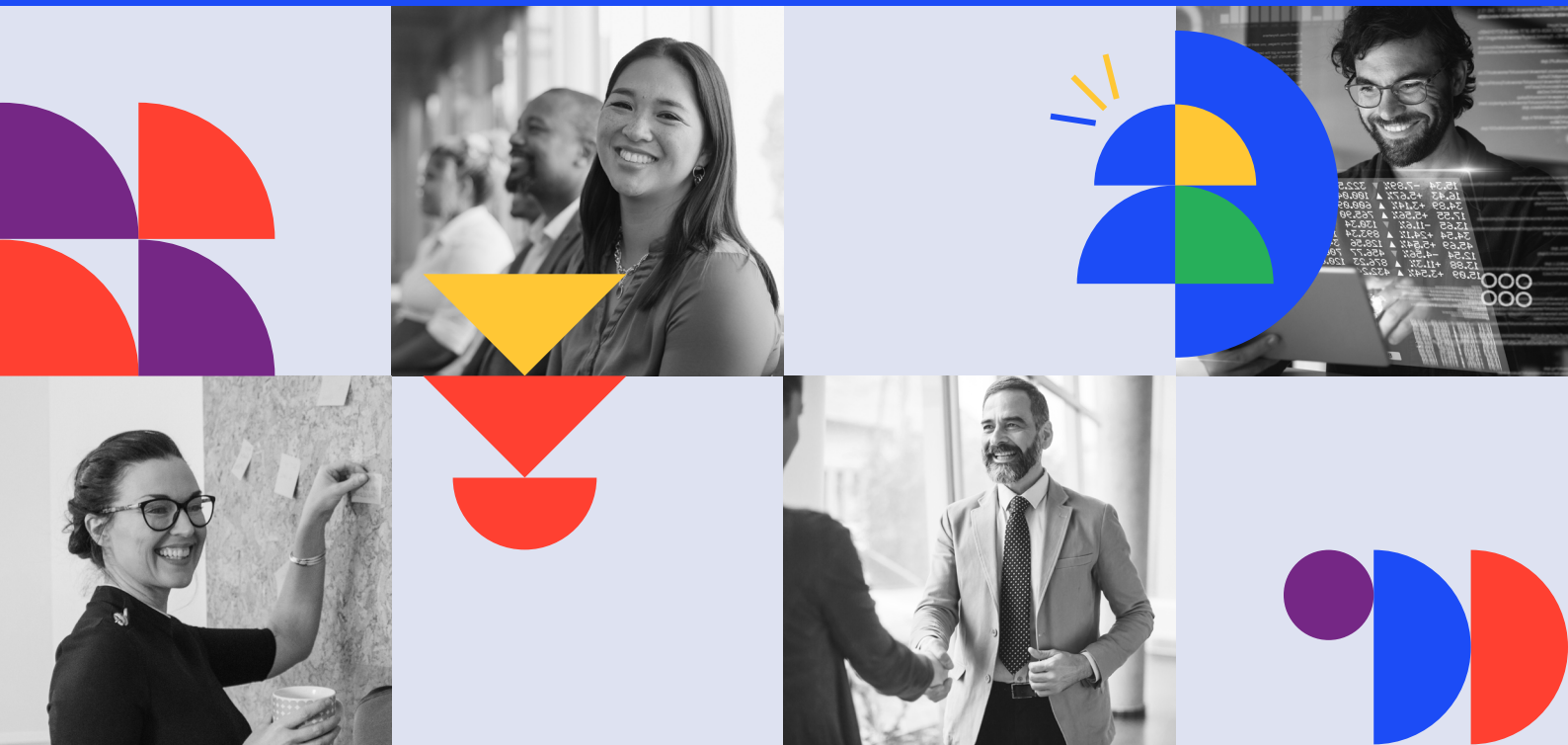
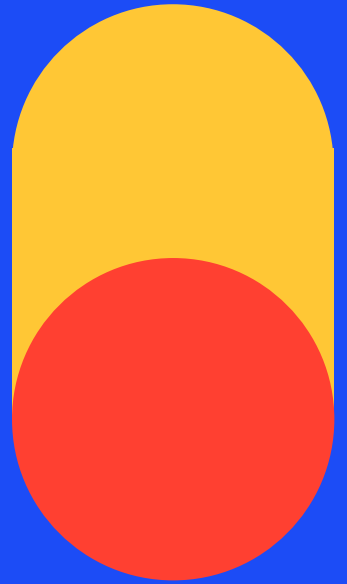


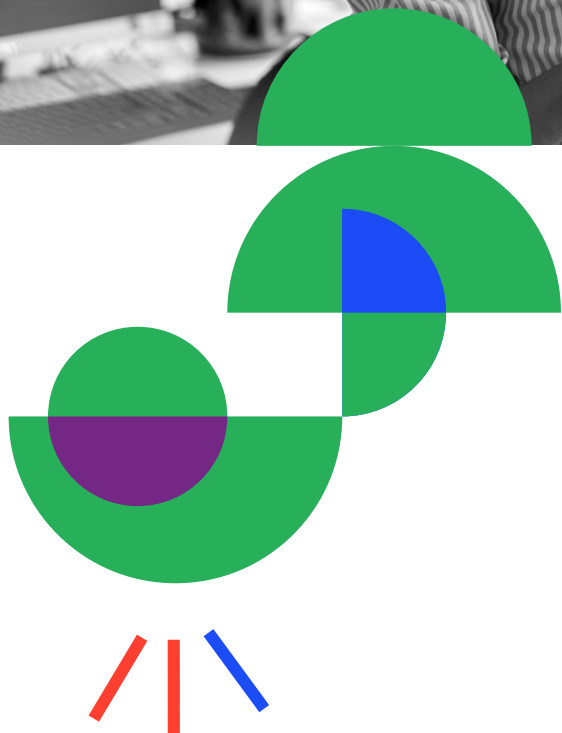
CFO SNAPSHOT

4 key trends for finance professionals in 2024



RELEASING HR'S
FULL POTENTIAL





More than ever, finance leaders are relying on a wide variety of data sources to analyse operating costs and forecast for the future. But how many are including human resources data into the mix?

In today's economic environment, it's vital for finance leaders to have a close eye on the HR trends that are impacting their profit and loss. After all, people are the biggest cost for most businesses and yet many finance leaders struggle to get visibility over the efficiency of those investments.

This edition of the CFO Snapshot report uncovers the financial landscape of the current HR challenges identified in ELMO's 2024 HR Industry Benchmark Report.

The key themes from this year's report reflect today's reality: economic anxieties, the push towards enhancing productivity, and the critical necessity for sustainable talent development strategies.

Notably, the report highlights the climbing costs associated with recruitment and the persistent problem of new hire turnover. These figures underscore the urgency for financial and HR departments to work together in devising more efficient talent acquisition and retention strategies, optimising resources for long-term success.

Looking forward, the evolving HR landscape presents both challenges and opportunities. It's a landscape where embracing change and fostering collaboration between finance and HR can catalyse sustainable growth and innovation. The role of finance in these transformational times is more crucial than ever, with strategic financial oversight integral to harnessing the potential of your greatest asset - your people.

TREND 1



The productivity push amid an uncertain economic climate



In Australia, economic outlook was highlighted as the top challenge for organisations in 2024. It's no surprise given the predictions of sluggish growth, persistently high interest rates and a tight talent market as we entered the new year.



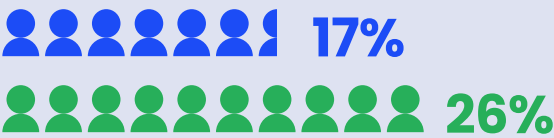
However **in New Zealand, cybersecurity** threats ranked as the biggest challenge, with the economic outlook and upskilling/reskilling employees in joint second. The topic of cybersecurity will no doubt continue to dominate the agenda given the increasing rate and sophistication of attacks. In fact, cybersecurity was identified as the biggest issue keeping CEOs up at night, according to the latest KPMG survey.



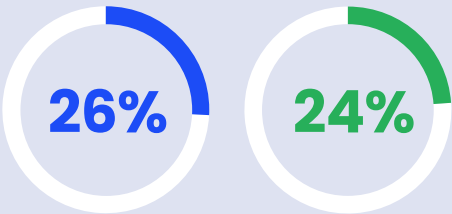
In response to the challenging economy, our survey uncovered some of the cost-control measures expected for 2024. Among those surveyed:



Expected redundancies or reduction in headcount



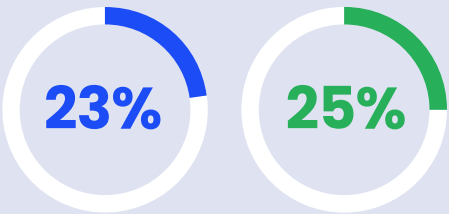
Expected to implement hiring freezes or focus on high priority freezing only



Expected to reduce or remove bonuses in 2024



Expected to implement pay freezes or reduce salary increases for 2024



NEW ZEALAND



The most common response to the economic outlook was **optimising their workforce through upskilling or internal promotions**, according to

32% and **27%**
in Australia in New Zealand



In terms of priorities for 2024, productivity ranked highly for both nations. It was the top priority in New Zealand and came in second for Australia, after employee wellbeing.

Productivity has been a burning topic within boards and C-suites for the past year, but what can organisations do to improve productivity? Asked about the barriers holding back productivity, our respondents in Australia identified a lack of employee engagement as the top issue, followed by leadership capability and a lack of prioritisation.

In New Zealand, a lack of prioritisation came out on top, followed by leadership capability and a lack of clarity on goals and performance.

Productivity is top of mind for finance leaders who want to drive better outcomes for their organisations. But as our survey highlights, it's not simply a case of asking people to do more. There are some deep-rooted structural issues holding productivity back.

There are key questions for both finance and HR leaders to address:

- How can we get to the root of employee disengagement?
- How are we prioritising what gets done and is that aligned to our organisational key results from the top level all the way through to individual performance?
- Are our leaders capable of prioritising efficiently and motivating their teams?

Tackling these foundational challenges has the potential to unlock productivity gains, leading to a more efficient and cost-effective workforce.

TREND 2



Examining the cost of hiring and retention

Our HR Industry Benchmark Report shines a line on just how expensive it is to recruit a new hire. It now costs an average of **\$20,000 to hire a new employee**, with a time to hire of

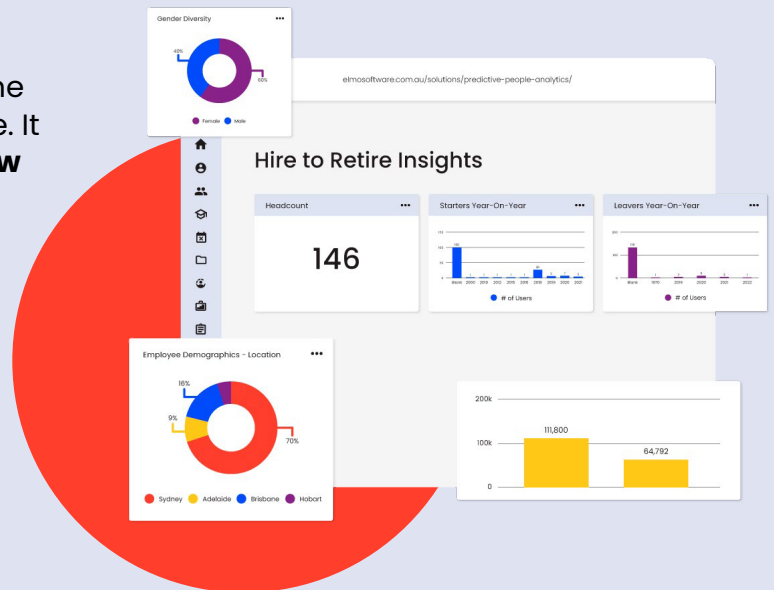
18
DAYS

in Australia

and

24
DAYS

in New Zealand

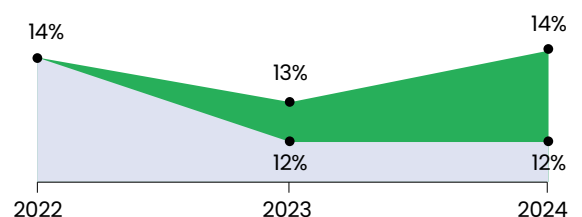
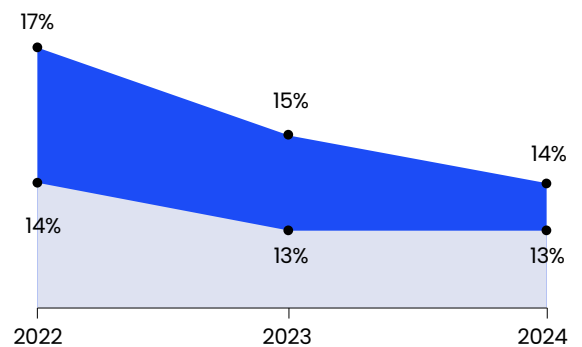


But what makes these figures even more concerning, is that around **one in seven** new hires **leave their job within the probation period**.



This figure has remained consistent for the past few years, but is far higher compared to before the pandemic when the new hire turnover rate sat at around 6%.

New hire turnover in both Australia and New Zealand is now a similar rate to the overall turnover rate (14%). For organisations that want to reduce their spend on recruitment, bringing this number down should be a priority.



■ New Hire Turnover ■ Turnover NZ ■ Turnover AU

The other concerning trend for finance leaders is time to productivity. **It now takes an average of**

35
DAYS

in Australia

and

42
DAYS

in New Zealand

for new hires **to get up to speed in a new role.** This figure has increased significantly from our 2023 survey.



There could be several different reasons as to why. One consideration is that many organisations are operating with leaner teams and resources, having reduced their headcounts in 2023 to cope with the difficult economic environment. Though an unintended consequence, it's common for onboarding to suffer as a result.



“Managers may be hiring with an expectation that people will hit the ground running rather than allowing people to get up to speed in a structured way.”

JUSTIN MEIER

ELMO's Senior
Organisational
Development Manager

For finance leaders, it's worth working with your HR team to understand things like time to productivity and new hire turnover. Exploring these metrics might reveal inefficiencies in the employee experience that could be improved, resulting in financial and operational gains for your organisation.

Among the remuneration trends identified in the report, the **average salary increase** predicted in Australia and New Zealand is:

\$\$\$ \$ \$ \$ \$ 4%

TREND 3



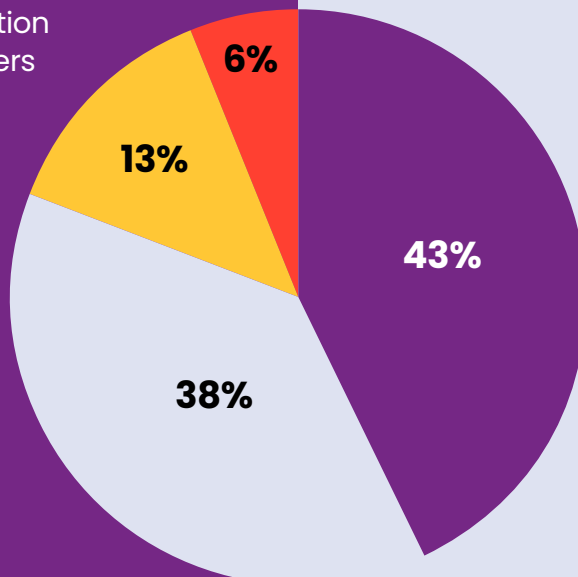
Building a stronger CFO/CHRO relationship

Truly strategic finance leaders know the importance of working closely alongside their CHRO or senior HR leader. Where once they might have been siloed departments working to their own agendas, the current economic environment demands greater collaboration than ever.

But improving efficiency in the corporate world requires a whole-of-business approach and, most importantly, a paradigm shift at the executive level.

Level of collaboration between HR Leaders and their CFOs

- Strong
- Limited
- No
- Don't know



The 2024 HR Industry Benchmark Report found that only **43%** of HR leaders **in Australia** have a strong partnership and collaboration with their Chief Financial Officer. **In New Zealand**, that figure was **48%**. Around **38%** in both regions have **limited partnership** and collaboration with their CFOs, while around **13% have no effective communication** at all.

These numbers show there's still a lot to be done to improve the collaboration and communication between HR leaders and their finance counterparts.

Are false perceptions to blame?

ELMO's Chief People Experience Officer Kate Wilkinson says the HR function has become far more strategic over the past decade, and the pandemic only accelerated that trend.



KATE WILKINSON

ELMO's Chief People Experience Officer

"In reality, HR leaders of today are actually far more commercial and strategic," she says. "It's part of the reason that business partnering has been added to the title within many HR departments.

"A great HR business partner is concerned about limiting risk, retaining talent and increasing productivity. They love to lean on data and technology to identify workforce patterns, helping to unlock greater value and maximise profitability for their organisations."

TREND 4



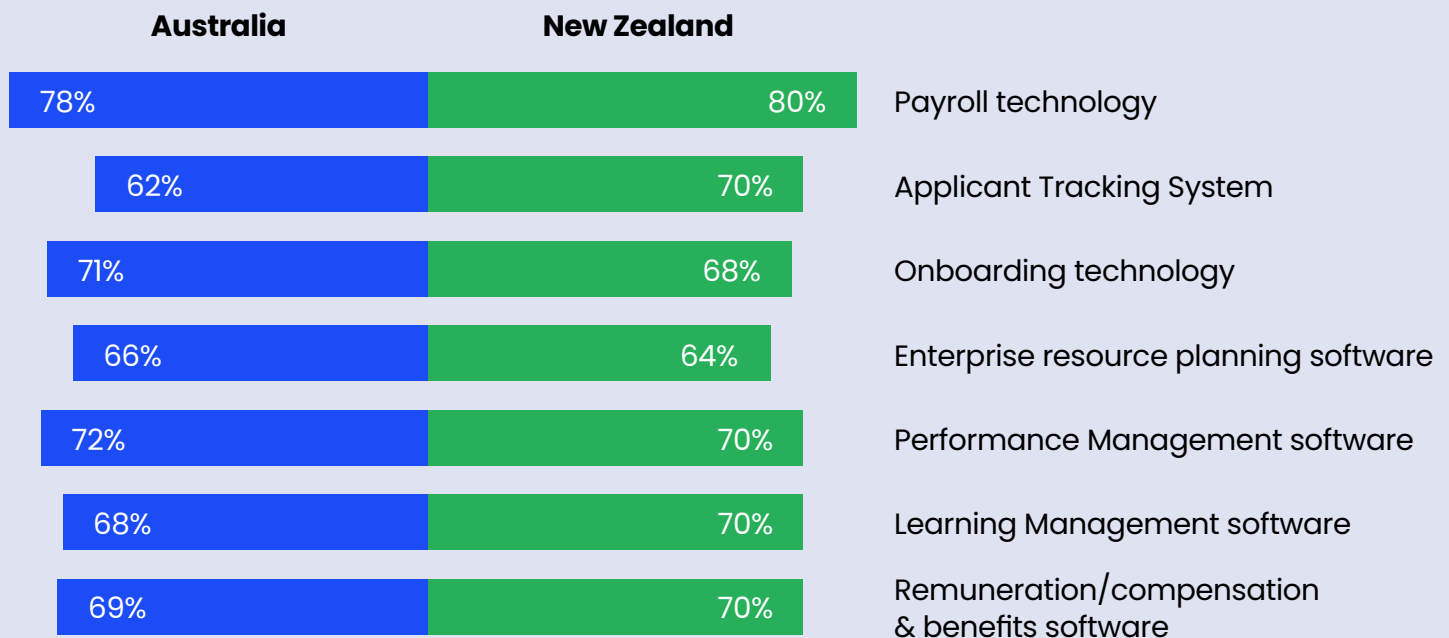
Accelerating efficiency through technology

Productivity is clearly under the spotlight, so it's worth considering the role of technology to minimise manual tasks and improve efficiency.

Our Benchmark Report found the number of HR professionals already using or in the process of implementing technology is high across the entire HR value chain, from hiring and onboarding through to performance management, learning and remuneration.

The numbers are relatively consistent across all the different types of software, with payroll technology the most common in Australia and New Zealand. Applicant Tracking Systems are the least widely used in Australia while in New Zealand, Enterprise resource planning software is the least common.

Uptake of HR technology already in use or being implemented



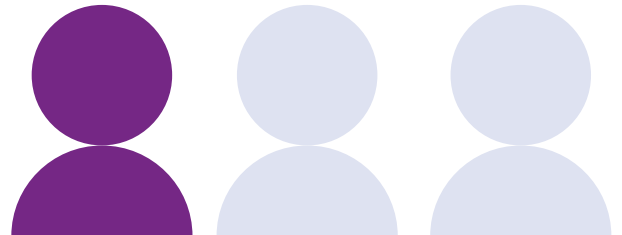
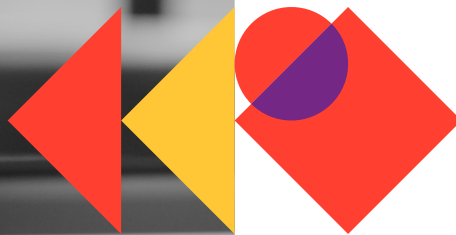
But with many different types of technology on the market – from point solutions to all-in-one platforms – which are the most commonly used today?



Our 2024 survey found the most common way to manage employee data is through **multiple HR and/or payroll systems connected by API or direct integrations**, according to 44% of respondents in Australia and 43% in New Zealand.



Yet still around **a third of respondents** in both countries say they **use spreadsheets in some capacity** to manage their employee information.



The use of spreadsheets should be a concern for finance leaders, given the risk of fines and reputational damage if personal employee information ends up in the wrong hands.

Enhanced data security is just one of the benefits of choosing an ISO-certified HR software platform. ISO certification involves bi-annual security audits and a high level of compliance throughout all levels of the business, offering customers greater peace of mind when it comes to their data.

The other important risk for Finance leaders to consider is payroll. Payroll compliance has been under the microscope recently, with the Fair Work Ombudsman cracking down on cases of historical underpayments. Several high-profile businesses have faced fines and reputational damage, not to mention large and unexpected repayments, due to historical payroll errors.

That's why it's important to choose a payroll provider with deep and trusted knowledge of local payroll legislation. Having experts on hand ensures your payroll is set up correctly from the start.

Beyond compliance, the right payroll software can also provide a strong return on investment when it comes to time and cost savings. Relying on manual calculations for payroll is both risky and time-consuming. Save time for both you and your team with software you can trust.

Case study: South Sydney Rabbitohs

After more than a century in the NRL, the South Sydney Rabbitohs now have a workforce of around 300 employees including staff and players. Facing challenges with an outdated and manual payroll system, the Rabbitohs found their processes inefficient.

“Our previous software was very labour-intensive and manual,” says Peter Legg, Chief Financial Officer for the Rabbitohs. “There were many manual calculations required for each payroll cycle and no way to integrate the system with our onboarding process.”

To make things trickier, the club had multiple payroll cycles in operation split between admin staff and the various squads.

In need of an upgrade, the Rabbitohs chose ELMO Software as their human resources & payroll partner. Since implementing ELMO, the Rabbitohs have automated many of their old processes, meaning the finance team no longer has to manually track or calculate multiple payroll cycles at once.



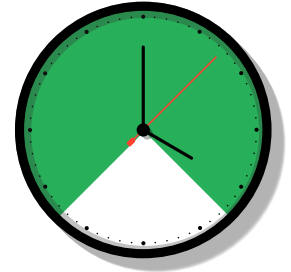
Click [here](#) to read more about the Rabbitohs' experience with ELMO.

The result? Time.

“Now that we’ve launched ELMO, payroll processing time has decreased by

75%

compared to our old system, which adds up to over 10 hours per month in saved time,” Peter says.



“Each pay cycle has been a breeze once everything was set up.”



**PETER
LEGG**

Chief Financial Officer at
South Sydney Rabbitohs



Methodology

The 2024 HR Industry Benchmark Report survey was conducted by Censuswide, among a sample of 700 HR Professionals in Australia and 500 HR Professionals in New Zealand. Respondents were aged 18+ and employed in middle management level and above, excluding sole traders and organisations with less than 20 employees.

The research was conducted online, with respondents sourced via an online access panel. The data was collected over a 12-day period from January 22 2024 to February 2 2024.

Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct which is based on the ESOMAR principles.

About ELMO Software

Founded in 2002, the ELMO Group comprises ELMO Software in Australia, New Zealand and the UK, and Breathe HR in the UK. It is the trusted provider of HR technology solutions to 16,000+ small and mid-sized organisations and two million end users.

With a comprehensive suite of ISO-certified solutions that span the full employee lifecycle, ELMO Software is designed to scale as organisations grow. Flexible and configurable, ELMO's one-stop HRIS fits to your specific needs and workflows.

Through powerful technology, automation, data and analytics, ELMO Software empowers HR professionals to play an integral role in company decision making.

Find out how ELMO can help your organisation.



[Book a demo | AU](#)

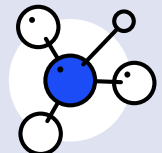


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ONBOARDING

Start your new employee's journey with a personalised onboarding experience.



PERFORMANCE MANAGEMENT

Empower your teams to achieve their goals and thrive



LEARNING MANAGEMENT

Create a culture of learning and develop your people with eLearning.