

What is Human Resources Technology?

Introduction

Over 30 years ago HR Technology was in its infancy, just a kernel of an idea held by those industry leaders who understood the power of data and automation. Looking back with awe and amazement at the technical accomplishments of this industry, we are ever mindful that HR still exists as a very personal experience for the individual. On the corporate side, HR Technology provides the vehicle through which organizations streamline processes, effectively allocate resources and innovate within their HR function.

For the workforce, our personal lives have become more integrated with our work lives, illustrating the point that when HR Technology works at its best, it provides the framework through which balance can be achieved for everyone. Looking forward, HR Technology may be facing its greatest challenge yet – the future will not be judged by cost savings and ease of use but rather by value creation and workforce experiences. In this new world, transparency will be expected and yet trust is paramount – and the responsibility for enterprise communications may fall to tomorrow's HR Technology environments.

The definitions

Human Resources Technology is a broad term used to describe a system of software applications and the supporting hardware necessary

to operate and automate the work of managing an organization's workforce. The breadth of technology included under the umbrella term 'Human Resources Technology' varies widely based on the span of responsibilities found in each Human Resources organization and how the term 'workforce' is defined for each organization.

Breaking this definition down even further, an organization's workforce or Human Resources is everyone that leads, manages and accomplishes the work of an organization who is compensated in some way for their efforts. The Human Resources function is a department within an organization that is responsible for overseeing the formal systems used to manage a workforce.

Historically, the HR function was primarily responsible for acquiring, paying and possibly developing employees. That definition is so narrow that it barely resembles the strategic mandate of today's HR organization. No matter the size or maturity of an HR function, we generally see that it is overseeing several critical practice areas that include:

- core HR administration;
- service delivery;
- time management;
- talent management;
- analytics and planning;
- emerging HR practices.

Each of these categories as viewed in Figure 1.1 has its own professional standards, strategies, processes, defined responsibilities, compliance requirements, workflows and data sets – and these will be discussed in detail later in the book. For exceedingly small organizations, those with fewer than 25 employees, many of these management tasks can be handled manually via spreadsheets or outsourced to service organizations. If a small organization is outsourcing the management of these processes, it might use an accounting firm, a professional employer organization (PEO) within the United States, or a global employment organization (GEO) outside the US; in all cases some form of technology is still being used to manage your workforce.

FIGURE 1.1 The HR application categories



As organizations grow in size and complexity, they eventually find it necessary to move away from manual workloads or service providers and begin the process of selecting, adopting and managing their own processes and the supporting HR Technology environments. There is no hard-and-fast rule concerning the timing of this transition, but there are a few business or organizational situations that often lead to the decision to begin purchasing HR Technology:

- diverse work environments, including a mixture of hourly, exempt and non-exempt workers;
- rapid expansion, leading to employees in multiple cities, states, countries or regions;
- rapid growth, leading to an increased volume of hiring and onboarding;
- rapid change, leading to greater need for learning or reskilling;
- cost concerns, leading to an increased focus on time, scheduling and performance management;
- tight talent markets, leading to greater need for contingent workers, workforce career management and benefit options.

In each of these cases, organizations are looking for new technology that will reduce administrative efforts and improve outcomes for end-users and ultimately the business. The technology selected depends on industry standards, market availability and the organization's selection process. An organization should look for a solution that fits

culturally, achieves its strategic outcomes and will be able to integrate effectively into a current or future data governance model.

EXAMPLE

A rapidly growing organization that has sales goals dependent on well-trained customer support representatives is struggling to keep up with the hiring and onboarding demand of new employees. To achieve the desired outcome, the HR function has analysed the hiring and onboarding work and believes the best way to speed up the process is to automate some of the recruiting efforts, reduce the manual workload of managers inputting interview data and implement a self-service onboarding program for new employees. These process areas all fall under the talent management practice area. An HR function may look to acquire a point solution that just addresses the immediate hiring and onboarding needs, look at existing technology to see whether added modules could address the needs, or choose to think more broadly and select a full Talent Management suite that allows HR to address current and future needs. The selection process should focus on the outcome of growth, while taking into consideration that the organization has a culture of collaboration and management expects regular reporting from each function in a mobile format. These factors should emphasize a solution that can scale quickly, has team-based work environments and easily sharable, mobile-friendly reports.

The most common software applications developed to address these HR practice areas today are shown in Table 1.1.

Although this is an extensive list, it is not exhaustive. John Sumser, Chief Analyst for *HRExaminer* magazine, quotes in his book *The Birth of HR as a Systems Science* that there are over 100 discrete HR Technology application categories in the market.¹ I have selected the most common used in most HR organizations of an average size and complexity. These would be considered the building blocks of most HR Technology environments. The emerging HR practices are

TABLE 1.1 Most common software applications addressing HR practice areas

HR practice category	Common HR software applications
Core HR administration	• Payroll and tax administration • Human Resources management • Benefits administration • Health, safety and wellness
Service delivery	• Employee self-service • Manager self-service • Portals and workflow platforms • Help desk and case management • Engagement and feedback platforms • Content and communication platforms
Time management	• Time and attendance • Leave management • Absence management • Labour scheduling • Labour budgeting • Productivity/task management
Talent management	• Talent profile • Talent acquisition and recruiting • Onboarding and mobility • Learning and development • Performance management • Compensation and reward management • Succession and career planning
Analytics and planning	• HR and people analytics • HR data visualization • HR reporting and dashboards • HR data management and storage • Organizational planning and forecasting • Workforce planning and forecasting
Emerging HR practices	• Intelligent platforms • Predictive analytics • Employee tracing and tracking • Total employee profiles • Contingent workforce management

constantly in development, including the use of social platforms, the Internet of Things and artificial intelligence, so this list is likely to grow and change over time.

A small warning when it comes to HR Technology vendors: we see hundreds of new HR Technology solutions enter the market every year, adding to an existing market of thousands of HR Technology vendors. Every solution provider feels they are fulfilling a unique gap in the industry and doing something totally different. In reality, most of them are offering overlapping solutions that only slightly innovate on existing applications. However, there is always hope for innovation, and generally there are 3–4 unique ideas a year that are worth watching for future application development.

Over the course of this book, we will be taking a closer look at each of these HR practice categories and their corresponding common HR software applications, along with details on who uses them, how they are selected and implemented, and what outcomes organizations achieve when these applications are fully utilized. We will also delve into the category of emerging technology and provide some guidance on how to include these applications into a solid, long HR Technology strategy.

Why you need to care

As a modern HR professional, you probably already live in a world inundated with technology – it is likely a part of your everyday life. You may wake up to the alarm on your phone, check the weather on your weather app or ask Alexa to read your morning emails. As technology is with you throughout the day, you generally do not think about where this data – be it the weather, news, emails or anything else – is coming from because you have configured and set up your personal technology. You know what parameters you gave it and what data it should be pulling to give you information and guidance. If you are not getting what you need from your personal technology, you make the effort to update your preferences, add applications or clear settings that are no longer relevant.

When we come to work it is just as easy to simply focus on the task at hand or the screen in front of us, forgetting that the underlying applications require the same level of careful setup and maintenance as our personal technology, but on a much larger scale to provide us with accurate and valuable insights.

HR applications are tools that enable us to achieve outcomes for HR, our organizations and the employees. Positive outcomes require that these tools are used by skilled HR professionals and educated workforces who understand the available resources and data they have at hand. Being informed of how the data is entered into the technology, and how interconnected or dependent one technology is on another, is helpful. Understanding the inherent logic and configured settings within HR applications is simply judicious. This type of knowledge gives you power and greater insight into the level of confidence you should have in the system's recommendations and what is required to achieve outcomes.

Although there are inherent struggles in trying to constantly navigate the shifting trends in HR technologies, it is worth the effort. HR professionals who effectively navigate their HR systems and available HR data make more informed decisions and are capable of more quickly weighing the opportunities and risks that come with either action or inaction. At the heart of our ever-changing work environments sits the workforce itself, people who are looking for opportunities to grow, develop and expand their future options. HR systems that embrace a more transparent and employee-driven work environment can make a difference. Organizations that are comfortable with their own strategy and internal culture can leverage HR Technology to cultivate an environment that supports their vision.

HANDS-ON ACTIVITIES

After each chapter I will provide recommended questions and activities to increase your personal HR Technology knowledge. This is an opportunity to start a conversation with your colleagues, mentors and leaders and to invest in your HR Technology journey.

- Does your company outsource employee services and employee technology to a PEO, GEO or accounting organization?
- Which of these HR service areas currently fall under the responsibility of your internal HR organization or an outsourced entity? (Mark these service areas as either Internal, External or Not Applicable.)
 - HR data management administration (Human Resource Management System or HRMS)
 - Payroll services
 - Benefit services
 - HR helpdesk/case management
 - HR communication
 - Health and safety reviews
 - Workforce time and attendance tracking
 - Leave request management
 - Workforce scheduling/project scheduling
 - Performance management process and services
 - Onboarding process and services
 - Recruiting process and services
 - Learning services process and services
 - HR and workforce reporting
 - Enterprise workforce planning
- Which of the HR applications in Table 1.2 are in use in your organization? (Mark them In Use, Implementing, Evaluating, Not Applicable/No Plans.)

TABLE 1.2

HR Practice Category	Common HR software applications
Core HR administration applications	• Payroll and tax administration • Human resource management • Benefits administration • Health, safety and wellness

(continued)

TABLE 1.2 (Continued)

HR Practice Category	Common HR software applications
Service delivery applications	• Employee self-service • Manager self-service • Portals and workflow platforms • Help desk and case management • Engagement and feedback platforms • Content and communication platforms
Time management applications	• Time and attendance • Leave management • Absence management • Labour scheduling • Labour budgeting • Productivity/task management
Talent management applications	• Talent profile • Talent acquisition and recruiting • Onboarding and mobility • Learning and development • Performance management • Compensation and reward management • Succession and career planning
Analytics and planning applications	• HR and people analytics platform • HR data visualization tool • HR reporting and dashboards • HR data management and storage • Organizational planning and forecasting • Workforce planning and forecasting
Emerging HR applications	• Employee work monitoring tools • Total employee profile tools • Contingent workforce management tools • HR specific chatbots and knowledge bases • Organizational network analysis tools

Endnote

- 1 *The 2020 Index of Intelligent Tools in HR Technology: The Birth of HR as a Systems Science*. HRExaminer, 2 October 2019

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