# WHAT IS
# HR TECHNOLOGY?
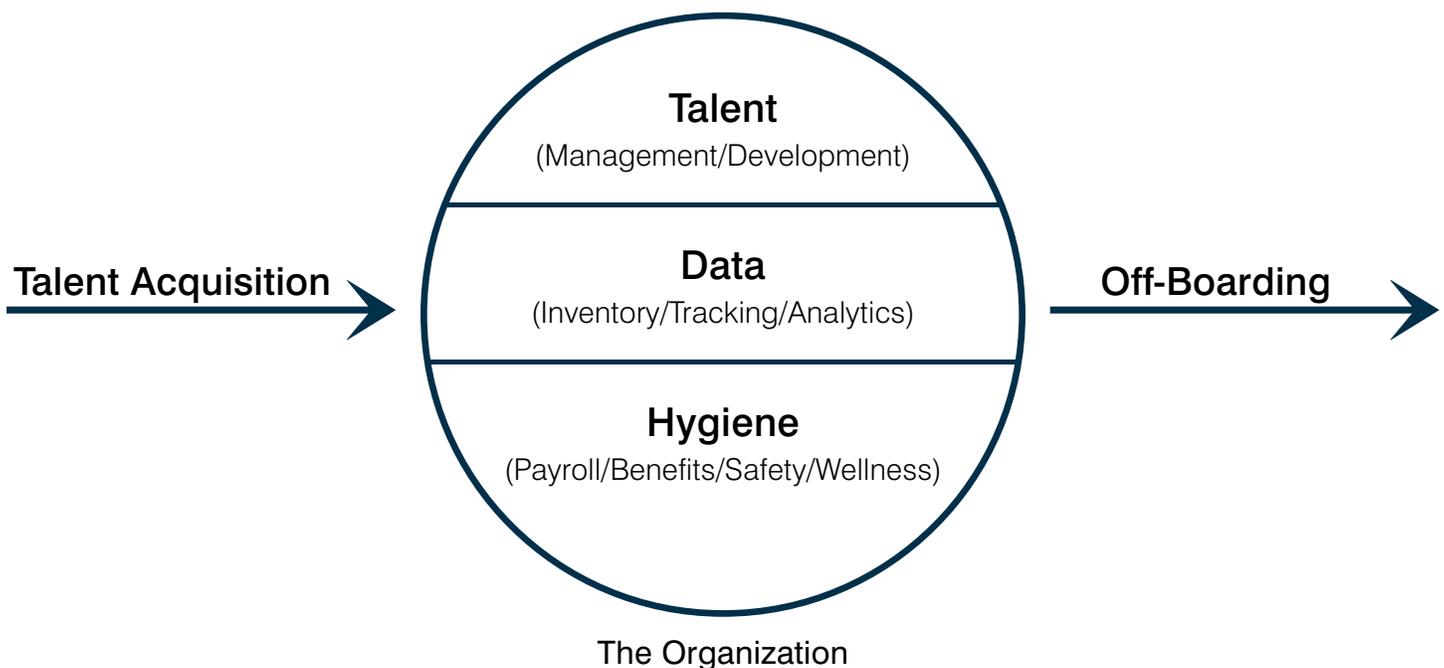## A VIEW FROM 30,000 FEET.

## JOHN SUMSER

# WHAT IS HR TECHNOLOGY?
## A VIEW FROM 30,000 FEET.

*John Sumser*

Human Resources is home to the projects, processes, and programs the organization uses to compensate, motivate, educate, regulate, relocate, and appreciate its employees. There are hundreds of types of technology and thousands of vendors.

## Overview

The broad categories of HR Technology are Talent Acquisition, Talent Management and Development, Data Collection and Analysis, Hygiene (or Basic Operations), and Off-Boarding.

**Talent Acquisition** →

**Talent**
(Management/Development)

**Data**
(Inventory/Tracking/Analytics)

**Hygiene**
(Payroll/Benefits/Safety/Wellness)

**Off-Boarding** →

The Organization

Every HR tech implementation varies by company size, location, business model, and industry. An organization's approach to HR tech is driven by the needs of the company rather than the objective of having a perfect HR System. Not all companies use all of the elements.

Talent Acquisition (TA) is the discipline of attracting, recruiting, assessing, screening, interviewing, and hiring employees. Of the HR tech categories, only TA is market-facing. Given today's talent shortages, TA is the most innovative and diverse of the HR silos.

## Applicant Tracking System (ATS)

The ATS is the system of record at the heart of TA. It stores and documents applications, resumes, and profiles of candidates and provides a structure for the recruiting workflow. There are over 400 different ATS providers that focus on specific subsets of the labor market. Workflow customization became a primary feature of the ATS in the early 2000s. Today's tools focus on data standardization because being able to process, connect, and use data is essential to the quest for intelligence in ATS.

## Sourcing

The goal of sourcing technology is to help the recruiting department find the best people. The technical toolkit ranges from job board subscriptions to software hacking. The proliferation of social media creates vast pools of information about potential employees. A growing number of tools collect and parse this data. Some systems even provide an assessment of the likelihood an individual will respond positively to a job offer.

## Recruitment Marketing Systems

Recruitment Marketing Systems (RMS) help recruiters attract, engage, inform, and close the deal with candidates. An RMS can include automated management of job postings, deployment of an employment website, a candidate relationship management (CRM) system, bulk emailing, and employment branding tools. When people become candidates, they are managed by the ATS.

## Interviewing, Screening, and Assessment

There are tools that offer video interviewing, structured interviewing, and automated scheduling. Screening and assessment tools include background checks, skills testing, and personality assessments. The most useful tools assist rapid evaluation for final hiring decisions.

## Learning Management

Rather than a solitary function that dictates the learning and development hierarchy, the L&D Department is now becoming more like a curator. Often the best source of information is other employees, especially since most work activity is recorded in some manner. Learning Management Systems can include almost any resource, tool, or media. The most complex tools organize and manage content delivery while monitoring attendance and certification.

## Performance Management

Performance Management Systems can be as simple as a shared to-do list and as complex as a hierarchical cascading goals program that can manage contingencies. There is growing discomfort with the idea that company objectives are achieved through reviewing past performance and outdated goals because a focus on what is done instead of what is coming can be at odds with agility. As a result, some performance management systems are moving to real-time check-ins and coaching models.

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## Succession Planning

In companies still led by the founder(s), replacing the original team can take on Shakespearian overtones. In more "managed" operations, Succession Planning begins with rotating managers through a series of assignments designed to round out their skills and conceptual understanding. The tech offerings attempt to inform and optimize these decisions.

## Talent Management and Development

Talent Management and Development (TMD) is an interconnected set of processes that helps employees learn and develop as a part of their job. The software ranges from simple compliance documentation and compensation planning to tools that combine performance appraisal and directed courses of study.

## Workforce Planning

As a part of TMD, workforce planning is the strategic process to envision the size and composition of the future workforce plus the planning necessary to get there. Currently the tools offer spreadsheets and data visualization to understand the market, current employees, and where the gaps are. Some identify skills and learning employees need for the next position.

## Compensation

Compensation Management Systems account for salary, bonus, stock option, benefits, and perks. Some store and display compensation analysis studies from data providers. Compensation is determined by analyzing market supply against demand to determine a pay range for the job, which then establishes the level of quality the company wants to acquire.

## Onboarding

The simplest Onboarding programs involve filling out tax, benefits, and new employee forms. Complex systems guide strategic development of new hires and provide complete orientation and training to bring new employees up to speed. Onboarding Systems cross the boundaries of most other HR Silos. In order to bring a new employee onboard, almost every single system is modified to include data about the new employee. The Onboarding System can be an effective use case for all other HR tech systems.

## Data Inventory, Tracking, and Analytics

With an explosion of data from monitoring and reporting systems comes the need to compile and interrogate that information to provide insights and people analytics.

### Human Resources Information System (HRIS)

An HRIS can be a simple repository for employee contact information to a complex system that combines most employee data, payroll, benefits, scheduling, workforce management, recruiting, and compliance. There are many offerings emerging that combine social data, employee profiles, and directory/contact information into a single employee profile. Both employee health and personnel records have a range of security constraints associated with them.

### Analytics

In practice, there is little differentiation between Reporting and Analytics tools. In theory, Reporting is the process of organizing data into informational summaries. Analysis is exploring data and reports to extract meaningful insights to understand and improve business performance. Reporting and analytics are inextricably linked. More often than not, the trigger for a deep analysis of a problem is something that emerges in routine reports.

## Hygiene

Hygiene factors are the context or environment of a person's work, such as organizational policies and procedures, supervision, relationships with co-workers and supervisors, physical work environment, job security, and compensation. Software that manages hygiene factors is critical in HR. The execution of these tasks must be virtually flawless. Otherwise, they become de-motivators.

### Payroll

The complexity of Payroll problems is directly proportional to the size of the organization. In the United States alone, there are more than 400 laws (from local to national) that regulate minimum wage, overtime, pay periods, tax withholding, garnishment, and the content of pay stubs. Global firms have even greater problems.

It is both essential and difficult to get payroll right. In an organization of five hundred, 99% accuracy means that five people's pay checks are screwed up. While the execution is nearly perfect, those five employees are profoundly affected. Even a 99.5% effectiveness rate can be damaging to organizational morale. Payroll requires perfect execution.

### Time and Attendance

Time and attendance tools range from simple time clocks and spreadsheet tracking to complex time-keeping and project management accounting. They are most common in companies with hourly employees, where adequate tracking of time is both a compliance and compensation issue. Most organizations track days worked to manage PTO and leave issues.

Time and attendance is one place where mobile technology is really making a difference. Having the capacity to interact with the time keeping system from a smartphone or tablet eases managerial workload and increases employee flexibility.

## Benefits Management
Benefits Management software gives employees an interface between the company's benefits plan and the benefits providers. Having all benefits transactions occur in a single framework allows the organization to optimize its benefits spend while allowing employees to easily customize and change their benefits choices. A benefits administration system creates and maintains an enrollment profile for every employee and tracks information such as hire date, marital status, number of dependents, hours worked, and attendance records.

## Wellness
The definition of wellness and its relationship to productivity or engagement is elusive. There's an inescapable logic to the idea that a healthier workforce is a more cohesive and adaptable workforce. If your employees are not out sick, they certainly show up for work more. A wellness management system collects and reports on data associated with individual and collective fitness and health activities. In some cases, the definition of wellness spans the range from exercise programs to meditation to financial education. The systems often emphasize competition between individuals or groups of employees.

## Total Rewards and Recognition
Total Rewards and Recognition tools are used to supplement and reinforce existing compensation structures. In large organizations, there is an important need to make the messaging about performance more precise. Traditionally, the Total Rewards market has belonged to awards and motivational gift companies.  But, with social media and new communications systems came the notion that recognition could be conveyed through digital thank-yous, good-jobs, or points. There is a grassroots feel to some of these tools that shifts Recognition from a top-down reinforcement to crowd sourced appreciation. Newer tools suggest that peer recognition can also increase engagement by helping everyone feel like they belong and are appreciated.

# Off-Boarding/Post Employment

## Off-Boarding
Off-Boarding includes the paperwork, processes, and decisions associated with the separation of employees. Off-Boarding programs provide guidance to ensure proper record keeping, removal of former employees from company systems, return of equipment, and management of any agreements that extend beyond the employment such as nondisclosure or noncompete provisions. Some assist with exit surveys or interviews.

## Alumni Programs

Many companies enthusiastically rehire former employees. People who have worked in the company before are less expensive to get to full productivity and "know their way around." Alumni program software enables the HR department to maintain contact with these people and let them know of new opportunities.

## Severance Management and Outplacement

Outplacement tools help employees find their next job. This benefit is most often offered as a part of an overall severance package. There are tools that provide former employees a "concierge" service that actually fills out job applications and schedules interviews.

## Making Sense of It All

HR technology is a complex ecosystem of technologies that can help organizations to achieve their potential. Here are five guidelines to help you figure out where to start and when to add new HR technology.

1. Always consider the underlying data first. Every software purchase decision involves adding complexity to your HR data. It may be the most valuable data you own. Set up a function in HR that understands all of the data.

2. Your first steps in automation must focus on hygiene factors. If you don't get payroll, benefits and time tracking right, the rest won't matter.

3. Once Payroll and Benefits are operating smoothly, you will have to focus on either Talent Acquisition (TA) or Talent Management and Development (TMD). If your growth is incremental and regular, focus on TMD. If you are growing quickly, focus on TA.

4. Getting your TMD programs right involves having a clear picture of your ideal relationship with your employees. Do you want to develop and promote people over time or are you looking for people to fill a skills need and leave when they want something new? Are you developing future leaders or happy alumni?

5. Getting the right people is a permanent challenge for all organizations. With limited professional development available for recruiters, you may find yourself relying on recruiting technology vendors for the training and support of your TA team.

No matter where you are on your HR technology journey, consider attending the world-famous **HR Technology Conference & Exposition**®, September 11 - 14, 2018 in Las Vegas. This annual event is THE place to learn about and get the whole picture of the HR technology market. Visit www.HRTechConference.com for details.

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