



**Does your  
people technology  
have longevity?**

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# Executive summary

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**People technology** is defined as a group of applications within a business, usually managed by the HR team, who are used to managing employee processes such as recruitment, onboarding, talent management, employee engagement and offboarding.

Such technology has been subject to much change over the past 10 years with many solution providers embracing innovation and rethinking the user experience of their products.

If we think back to 2011, technology and the way we interacted with it was very different – mobile internet was only just taking off, the Kindle Fire was first launched and if you weren't a Netflix user you were more likely receiving DVDs in the post. People technology was also very different in 2011. The term 'e-HR' was being introduced to us as a revolutionary way of managing employees through web-based systems. A report written by RD Johnson in 2011 told us that HR needed to become more digital to:

- Streamline HR processes and reduce administrative burdens.
- Reduce HR administration and compliance costs.
- Compete more effectively for global talent.
- Improve service and access to data for employees and managers.
- Provide real-time metrics to allow decision-makers to spot trends and manage the workforce more effectively.
- Enable HR to transform so it can play a more strategic role in the business.

And yet, many organisations still face the same challenges as we did back in 2011. Why?

Think back to your mobile phone in 2011 – what was it? It's very unlikely you have retained the same mobile phone. We didn't have Alexa or Google Home – we have upgraded our homes with smart technology. Can you say the same for your HR technology?

We're going to make a bold statement. Every business will need to transform their HR technology in the next 10 years. Here's why:

# Introduction

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People technology is an area of huge investment, research and innovation, yet many organisations do not leverage the full enhancements available through the use of their technology. In the past 10 years alone there has been significant development of many HR and payroll products, with most of the larger UK Tier 1 and Tier 2 systems having a product overhaul with new user interfaces and improved deployment through cloud technology.

For many organisations, the past decade has seen the implementation of the first pieces of HR technology, with businesses on the lower end of the digital maturity journey struggling to unlock the benefits of the people technology, whilst others have partnered with solution providers who are development heavy, focused on innovation and have made significant investments in that technology for their employees.

In the CIPD's *People Profession 2030, A collective view of Future Trends* the CIPD suggested that the following trends will impact the People Profession:

- Internal change, evolving organisational models, structures and process
- Digital and technological transformation
- Changing demographics, and D&I Strategy
- Diversifying employment relationships
- Sustainability, purpose and responsible business

Whilst digital and technological transformation has been highlighted as one of the key trends in this research, every future trend facing the HR professional will have some form of technological impact.

Interestingly, the impact of COVID-19 on people technology has been profound – essentially accelerating many businesses into the purchase of new technology to ensure employees are not only enabled to work from home, but also ensuring that employees remain engaged, able to communicate and collaborate whilst still feeling part of a business (even though they may never have met any of their colleagues in person).

**The expectation  
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is engrained  
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# People technology

People technology is defined as a group of applications within a business, usually managed by the HR team, that are used to managing employee processes such as:

- Recruitment/applicant tracking
- Onboarding
- Crossboarding
- Talent management
- Learning and development
- Employee benefits and compensation
- Payroll
- Time and attendance management
- Case management
- Offboarding

Whilst the technology covers those core functions it also acts as an enabler for employees, managers and the HR team to add value. In many organisations, line managers take responsibility for their own hiring, onboarding, employee changes and some case management, enabled by the technology and supported by people professionals. At the opposite end of the scale there are organisations without the technological capability for managers to take any actions and HR take complete ownership of every change/recruit/leaver.

The business of the future will require tech-centricity, with the next generation of workers being exposed to technology from a very early age the expectation that technology is engrained into almost all organisational processes will become the norm.

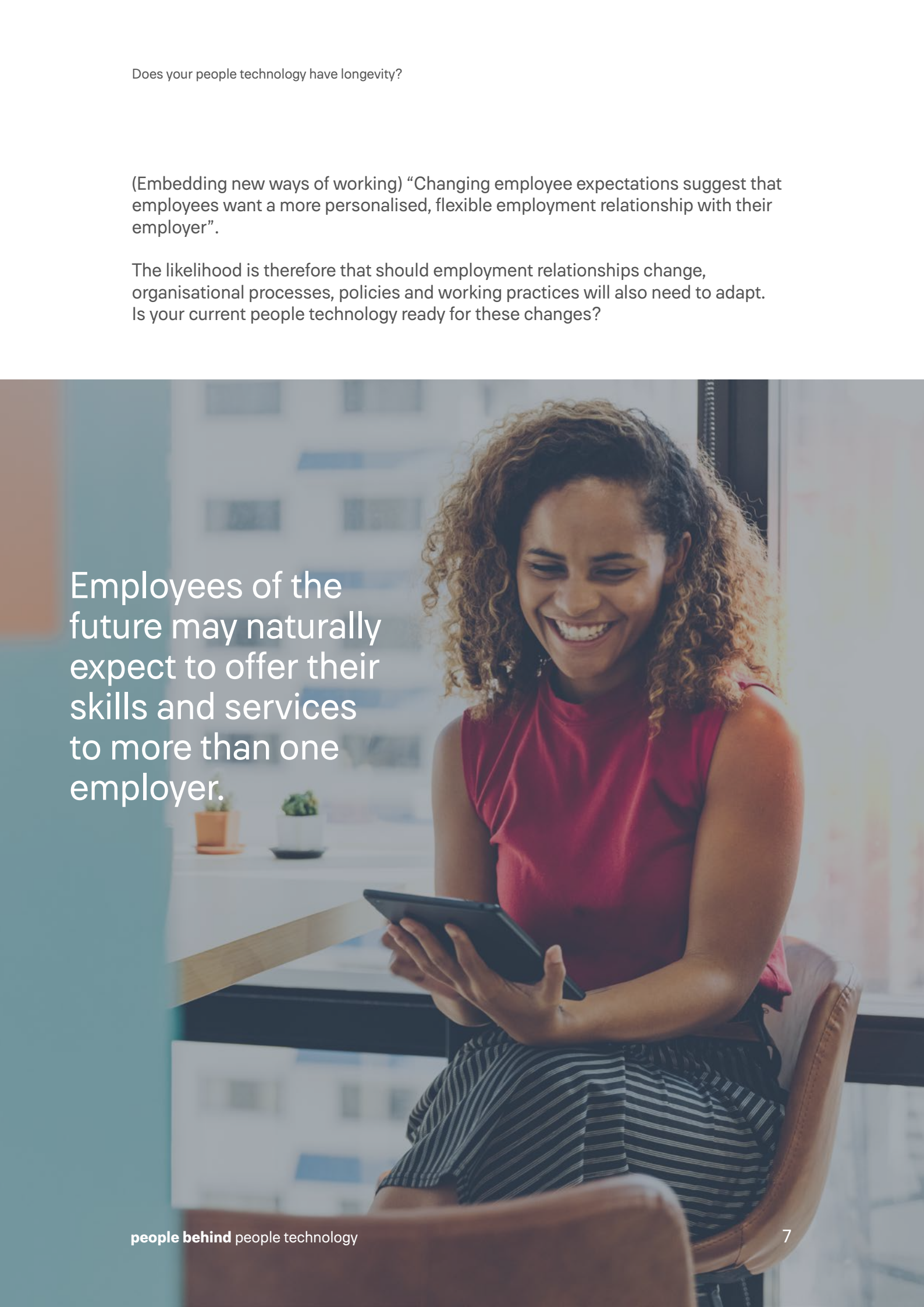
Whilst there have been significant challengers to the 'normal employment relationship' with changes such as zero hours contracts and the gig economy, the workplace of the future may look very different with a divergence of the typical employment relationship. Employees of the future may naturally expect to offer their skills and services to more than one employer. According to the CIPD



Does your people technology have longevity?

(Embedding new ways of working) “Changing employee expectations suggest that employees want a more personalised, flexible employment relationship with their employer”.

The likelihood is therefore that should employment relationships change, organisational processes, policies and working practices will also need to adapt. Is your current people technology ready for these changes?



Employees of the future may naturally expect to offer their skills and services to more than one employer.

# Technology improvements

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There are some key drivers for changes to people technology that have triggered the development of it.

Whilst the people technology market in some ways has been slow to adapt to technology changes (based on customer appetite to migrate/update their products given the scale of these projects) there has been significant development in:

- Artificial intelligence
- Automation
- Cloud hosting

Artificial Intelligence in HR is becoming more common. AI can support recruiters by parsing CVs and applications and funnelling talented candidates to recruiters, can identify employees who may be struggling with a lack of engagement or poor health and promote wellbeing initiatives and, on a more basic level chatbots are replacing many of the transactional processes associated with people technology such as the processing of leave requests and handling expenses claims.

Automation of people processes has been another significant development, HR automation is the process of enhancing the efficiency of the HR department by freeing employees from tedious manual tasks and allowing them to focus on more value adding activities.

Cloud hosting has also been a significant area of development in the past decade. It is no longer the norm for people technology to be installed on premise with local installations of software packages and databases. Most people technology applications are now entirely web-based and cloud hosted. Accessibility of the products therefore has never been easier, particularly with the development of apps for mobile devices such as phones and tablets.



# Employee experience

Employee experience is crucial, with employee expectations having developed significantly alongside the divergence of the employment relationships. Employees expect:



**Flexibility**



**Ease of process**



**Pay on Demand**



**Access to technology**



**Instant decisions**



**Transparency**



**Networking**

Employee engagement is seen as a critical component in organisational success. The development of technology in measuring engagement and blockers to productivity has significantly increased the ability of the people profession to 'know the pulse' of the organisation at any moment.

# People analytics

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The key change that data analytics in HR will make to you and other business leaders is the answering of questions that will make a difference to your business. Around the following areas, for example:

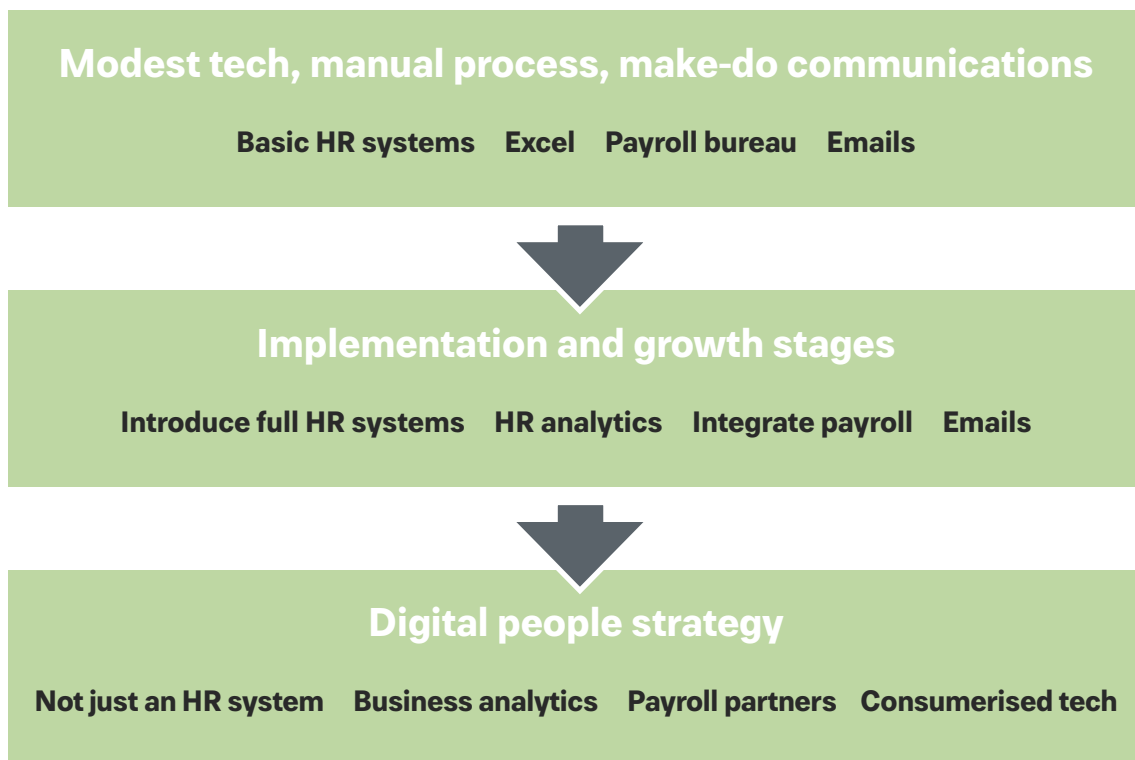
- Productivity and results
- Performance management
- Retention
- Management impact
- Diversity and inclusion
- Absenteeism
- Reward effectiveness
- Talent sourcing
- Succession planning
- Training and development investment

There is a way. It comes down to a confessional of the current state of affairs and from there – with the business leaders – a consensus on the information the organisation would really like to learn about. Is it sales? productivity? social reach? client demographics? How do we measure our performance and success here?

Next, determine where in your people data you're going to find the clues. This means working with your analysts or your HR system specialists to explore the data available and answer practical questions about how good it is. How clean? How complete? How up-to-date? How usable? This is all about gathering together the clues to answer the business questions.

# Your roadmap to people technology success

The first step in the path to **people technology success** is identifying where you are within the digital development journey:



Those in the earlier stages of the development journey will likely have more modest technology and very basic processes, whilst those with a full digital people strategy will likely have people focused technology from innovative suppliers. Understanding where you are currently in the journey will help you identify the milestones in order to achieve the future state desired by the business.

# Establish your baseline

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Asking some key questions at this stage will enable you to determine if new technology is required or if your current technology can be enhanced:

- Which systems have you got?
- Where are things owned?
- What does your IT team think about HR tech?
- How much do things cost? How much money have you got?
- Are there strong skills in-house? Risks and resilience?
- What data have you got and what state is it in? Who uses it and how?
- How do users feel about current systems?

How you answer these questions will also determine your next steps – if your organisation has technology which meets the needs of the business, a supplier who supports innovation and ongoing development and a longevity of a relationship that has resulted in trust and mutual benefits you might not have a requirement to select new technology or suppliers – although benchmarking is always a crucial activity to undertake.



# Understand the market

The first step when trying to understand the market is to identify your organisational context – where do you fit in the HR technology market place? This is largely determined by size of business and complexity of operations. It will also be dependent on the functions that you are seeking technology to support – for example, your full HR software set or maybe just an onboarding solution.

Benchmarking what you have against what you could have is also important. Undertaking market engagement early on will allow you to see the art of the possible and to understand what a project might need to look like and what the associated costs might be. Look to your professional network or peers to help with your understanding of what the business needs.

Before selecting your system you must make your case for systems change. So often the basic business case is a frantic and furious scribble treated as a necessary inclusion in project kick-off: it becomes a piece of homework rather than something meaningful. Sometimes the considered capturing of the case is missed out altogether.



Read our **12 steps to people technology success** guide to identify the benefits of systems change, the structure that your argument can take and the who, when and how to appeal to your project audience.



# An agenda of 10 questions

01

**When is the time to act? How do you stand contractually? What do you want to do sooner?**

**DO ONE THING:**

Check your current contract terms

02

**Who are the key stakeholders? Have you identified user interests, project resource and necessary suppliers?**

**DO ONE THING:**

Think who the right, senior champion is and sponsor for moving forwards

03

**How open are you to new ideas? Do you know what's out there?**

**DO ONE THING:**

Read something on system selection choices or attend a software showcase event

04

**Do you understand the organisation or IT strategy for systems overall?**

**DO ONE THING:**

Check you are aware of other major systems projects and purchases that are also on the table and their respective milestone dates

05

**What lessons can be learned from previous implementations?**

**DO ONE THING:**

Brainstorm amongst those who put in the last HR system

06

**What is the attitude to IT risk and where risk lies? Are most systems deployed on premise or outsourced?**

**DO ONE THING:**

Ask the IT Director or Manager for their views about cloud-hosting vs in-house solutions

Continued overleaf

# 07

**What are the key things a new system would, should and could deliver? What could be simplified in HR/payroll?**

**DO ONE THING:**

Allow HR a daydream and a “wish list”, making clear it may well not happen that way!

# 08

**Have you thought about information needs?**

**DO ONE THING:**

Delve into the information that people need to do their day-to-day jobs

# 09

**What change is afoot in your organisation? How will this impact a choice of HR system?**

**DO ONE THING:**

Complete immediate assessments for each major change project for implications to HR system choice

# 10

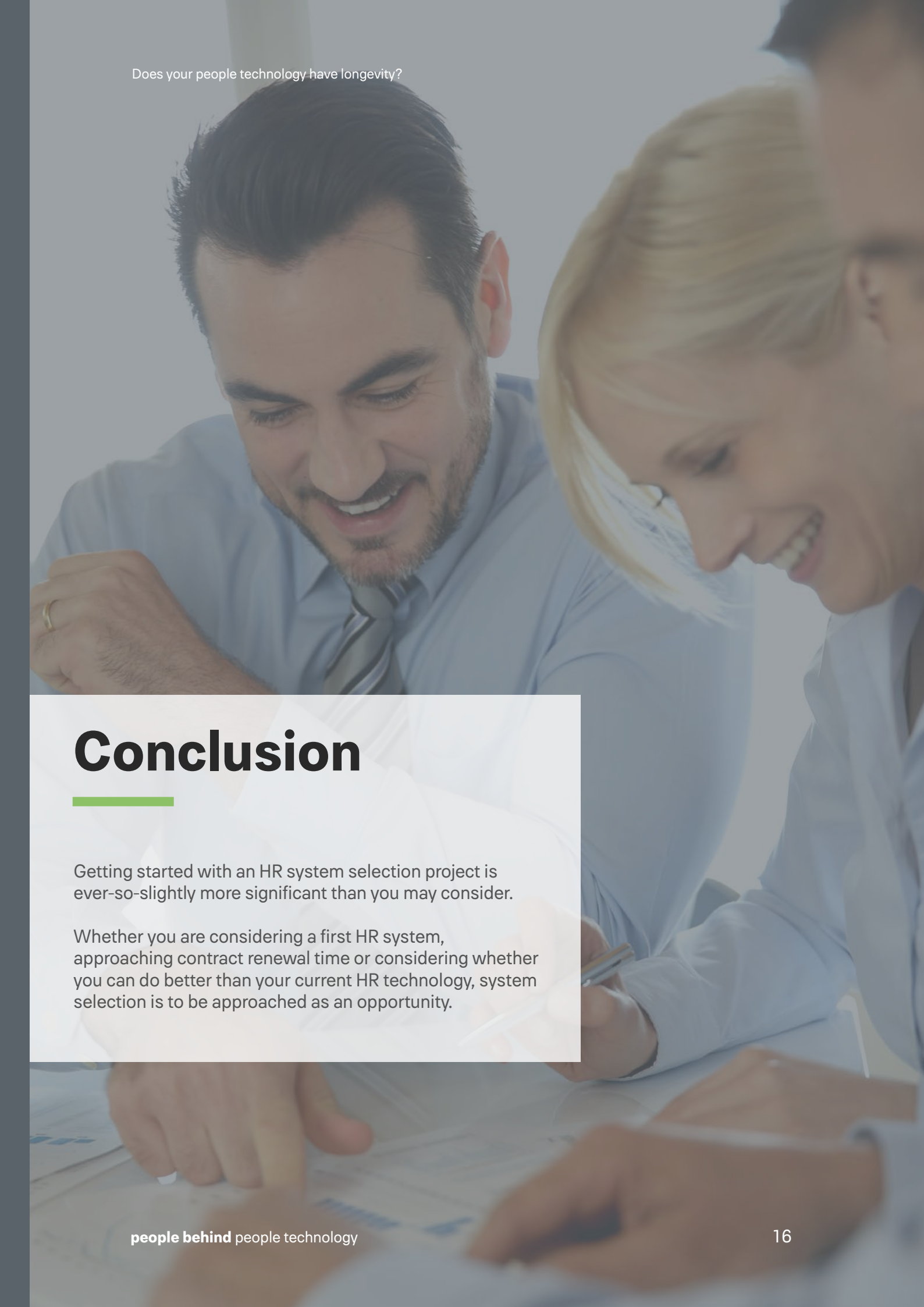
**How ready are you and your colleagues for systems change?**

**DO ONE THING:**

Compare your sector and culture to those of similar apparent metrics (eg employee numbers) and reflect on whether you are relative technophobes or technophiles



**You will be faced with both a plethora of choice but also apparent situation straight-jackets at the outset of HR system selection. By taking a step back and assessing questions openly, make a start in understanding objectives and the options ahead.**



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# Conclusion

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Getting started with an HR system selection project is ever-so-slightly more significant than you may consider.

Whether you are considering a first HR system, approaching contract renewal time or considering whether you can do better than your current HR technology, system selection is to be approached as an opportunity.



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