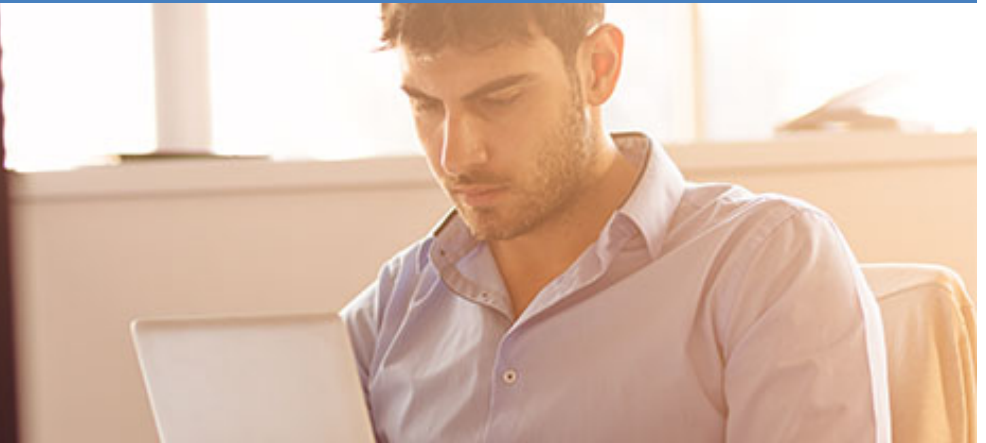# The Real Impact of HR Automation on Business

HR is undergoing rapid and significant change. There was a time when HR was viewed as a support function that delivered employee services, but now, HR is required to lead the digital transformation of their businesses.

Deloitte's Global Human Capital Trends Report for 2017 reveals that 56% of companies are prioritising the redesign of their HR programs to leverage digital and mobile tools, and 51% of companies are currently in the process of redesigning their organisations for digital business models.

So how does HR automation fit in and what impact can you expect it to have?

There is no doubt that automation enables HR to spend less time managing repetitive manual tasks and more time adding strategic value to their organisations. HR automation is not just about time efficiencies, but also about more holistic business benefits like predictive analytics, candidate experience and employee engagement.

The analytics generated by HR automation systems can provide comprehensive insightful data that enables HR to shift their focus from retrospective reporting to predictive people management.

Before embarking on the implementation of any HR automation system, you should consider a few key points:

- What business problem(s) are you trying to solve and what impact (eg time/cost savings) do you expect this to have on your organisation?
- Which internal stakeholders do you need buy-in from (eg CEO, CFO, IT) and how much effort is your business case going to require?

- What sort of IT system integration (eg payroll) do you need?
- Will you be adapting your existing HR process workflows or are you looking to replicate what you already have?
- Who will be your internal HR project manager?
- How will you launch your new system and create employee adoption/engagement with the new system?
- What are your success metrics post implementation?

Often, building the business case and securing buy-in from your key stakeholders can be challenging. Make sure you have a clear understanding what each of your stakeholders cares about most and address those issues directly. Financial decision-makers will likely be interested in the bottom line dollar impact. There are online ROI calculators that can estimate the financial savings you can deliver via HR automation. IT staff will be interested in how your new system will integrate with existing systems, how the HR automation system will securely manage sensitive data, and what is required from them during and post implementation.

What stakeholders do you need buy in from?

While there are common goals within all HR departments, each organisation will have its own unique set of circumstances to consider when determining how HR automation will impact them and which function of HR requires automation first. Below are some of the common benefits across four key HR functions.

Recruitment

Many HR teams already use applicant tracking systems and are aware of the significant time savings they offer. However, have you also considered the impact an automated system has on the candidate experience? With the ongoing war for talent, it's important for employers to create a great first impression with company branding and clear, consistent candidate communication. When HR also have the ability to quickly identify key skills and attributes, streamline and shorten the hiring process and reduce the risk of losing or overlooking quality candidates, the end result is a great candidate experience.

Often, companies are still trying to manage recruitment through manual processes. At times when large numbers of applicants are being managed, manual processes can lead to errors and inadvertent

When there is a shortage of candidates, talent pooling is a proactive step many organisations can adapt to maximise potential candidate numbers. Without automation, your talent pool may be an email account with a folder full of C 's or a spreadsheet with candidate names. This method does not provide intuitive search functionality on skills, qualifications or attributes. It also doesn't allow for quick data updates to candidate details.

An automated Talent Pool will give your candidates the ability to easily login and update their details themselves, providing a level of data validation and currency. It will also allow you to search based on keywords around areas such as skills, education or qualifications. Once you have found these candidates in your Talent Pool, you then have the ability to manage them through your automated Applicant Tracking System.

Onboarding

The Aberdeen Group carried out an interesting study that showed 83% of the highest performing organisations had an onboarding process in place which started before a new employee's first day.

83% of the highest performing organisations have an onboarding process in place

omissions of great potential candidates. Equally, red flags can also be overlooked resulting in less than ideal candidates progressing further in the recruitment process than they really should.

As it stands in the Australian market, there is a skills shortage in several key areas. According to the Department of Employment, there is a national shortage for areas such as Motor Mechanics, Civil Engineers, Bricklayers, Bakers, Butchers, Hairdressers to name just a few. In these circumstances, the challenge isn't necessarily managing large numbers of applications, but rather the imperative to provide the best possible candidate experience in order to attract the best talent. When competing for talent, you won't have the luxury of sitting on quality candidates while you consider your decision especially if your competitors are also trying to entice the same people

Manual onboarding processes don't tend to create a great experience for your new starters or your internal hiring staff. Physical welcome backs, emails to IT, emails to admin and manual chasing of all the tools the new starter needs to commence work are time consuming and inefficient.

Statistically, new employees who go through a structured onboarding program are 58% more likely to still be with the organisation after 3 years a good ROI on your initial recruitment effort

The automated onboarding process is still a relatively new concept in HR technology. This is primarily due to the historical requirement for original signatures on official paperwork. It is only more recently that organisations have become more accepting of digital acceptance of contracts.

Great candidates will often have more than one offer in front of them at one time. They'll be weighing up each offer and comparing how each organisation conducts their business. Scenario one, they receive an email full of attachments or arrive on day one and spend their first day buried in paperwork. Scenario two, they log into an automated system shortly after getting a verbal offer with everything they need including contracts, forms, documents and online induction content. Which of these scenarios is likely to instil maximum confidence in their new employer?

While online onboarding is still in its infancy, the competitive advantage it offers to organisations who adopt this approach should not be ignored. When it comes to attracting the right talent, candidates hold the power and recruitment and onboarding are becoming more and more crucial. Automated onboarding is not just important in terms of time savings, but from a brand perspective too. ou don't have to be a large organisation to become an employer of choice, but you do have to provide a great candidate and employee experience to earn this title.

Learning

A recent study showed that ineffective training is costing companies $13.5 million per year per 1,000 employees.

On average, each employee in a company spends anywhere between 20-40 hours on learning and development every year. Often, this time is spent on a combination of both mandatory compliance training and professional development. Rather than trying to create efficiencies by restricting training, using automation to streamline online learning can deliver significant financial and time-saving benefits.

Learning and Development time (and therefore money) is drastically reduced with online learning due to the ''access anywhere anytime'' capability. Accessing a 20-minute online course means employees can focus, complete and submit their learning in a fraction of the time required for face to face learning. They don't have to allow for travel time and expenses, and if they choose, can complete in their own time outside of work. If you subscribe to a pre-built content library, your HR team also save hours in the creation and distribution of original compliance and soft skills material.

On average, each employee spends between 20-40 hours on learning & development

When it comes to compliance training, it's not just the time spent on training that needs to be considered, but also the potential penalties that non-compliance can attract. Managing compliance training with a series of spreadsheets not only increases the risk of human error in the data but also makes reporting a laborious and tedious task. Automation not only captures all completion data, but it allows you to track progress, create timely notifications for HR and your workforce, and enables you to generate required reports at the touch of a button.

Taking risk mitigation one step further, the issue of Vicarious Liability is becoming a focus for many organisations in Australia and New Zealand. Essentially, this is when employers can be held legally responsible for acts of discrimination or harassment that occur in the workplace. In order to minimise liability, employers need to demonstrate that they have taken all reasonable steps to prevent discrimination or harassment.

The more training and awareness your organisation has put in place, the better protected you are, not just from a legal perspective, but also from a prevention perspective. An automated system will allow you to easily identify staff who have and have not completed policies and courses relating to conduct. Further to this, it allows you to assign these courses and policies to all staff as required, whether that be when they start or as and when the need arises.

One last consideration is your employee experience and retention rate. Today's workforce actively looks to work with an organisation that can offer them ongoing training and development opportunities. Recent research by Price Waterhouse Coopers found that 23% of employees in Australia leave a role in their first 12 months. The cost of this turnover was estimated at $3.8 billion in lost productivity. By engaging your employees through a user-friendly and easy to manage learning and development initiative, you'll not only improve your employee retention but deliver clear savings to your organisation's bottom line.

Performance

The impact of improved performance on organisational productivity is well known. Managers who receive positive feedback demonstrated 8.9% greater profitability and companies that provide regular feedback to their employees experience 14.9% lower turnover rates. Interestingly though, 58% of companies feel that performance reviews are not an effective use of time. So how can you drive positive results and close the disconnect?

> 58% of companies feel performance reviews are not an effective use of time

Many organisations are still using a paper-based performance management system which is not just time-consuming, but limited in terms of performance improvement outcomes. It is far too common that bits of paper are misplaced and KPI measurement is inconsistently managed across the organisation. It is also incredibly difficult for HR to identify trends, issues and areas of opportunity in the data. This cumulative situation no doubt contributes to the ''waste of time'' mentality around performance reviews.

Automating performance will not replace the meaningful discussions required to drive improved performance, however, it does offer a way to reduce the time spent on actioning and tracking on these activities. Everything from automated notifications, review/approval workflows, data centralisation and reporting can be enhanced with a performance management system. By using one ''source of truth'' for all performance data, employees and managers can both easily refer to and update information as discussions occur, without the risk of data being lost.

The centralised data held within a performance management system provides the consistency and clarity required for meaningful, productive discussions. One central competency library can be used to provide more consistency in KPIs across the organisation. Employees and managers enter the discussion ''on the same page'', and the ability to assign appropriate learning for professional development purposes means all performance related activity can be consolidated and taken into consideration when discussions take place.

Because of the sensitive nature of performance data, security should also be considered. Paper-based models provide little in the way of data security and make 360 review processes difficult and time-consuming. Technology makes it easy to manage permissions and access for different members of your workforce.

Regardless of your industry, company size or priorities, HR automation can create significant and demonstrable benefits to your organisation in terms of time savings, dollar savings, improved productivity and more engaged employees.

Automation also enables HR to position themselves as strategic business leaders. Analytics and comprehensive reporting not only simplify retrospective reporting but more importantly, predictive data can provide your organisation with valuable insights to help shape the future of your company and your people.

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