

Embrace new Human Resource TECHNOLOGIES

How to use tech to keep the “Human” in Human Resources.

Technology has finally come to Human Resources! And, wow, has it ever. According to the 2021-2022 HR Systems Survey by Sapient Insights Research Group in Atlanta, HR tech spending increased 57% in 2021. There are HR tech startups working to make every part of Human Resources Management more automated and more efficient - from recruiting to onboarding, to performance management and, of course, to payroll and benefits management.

This is exciting. But it doesn't mean that the job of Human Resources is getting easier. It doesn't change that today's labor market is weighted heavily toward the employee, which makes recruiting more challenging. It doesn't change that we are living in tumultuous times, which creates stress that people inevitably bring with them to work. It doesn't change that new norms are emerging around how we work, which mean that leaders and HR teams have to be responsive and creative in managing company culture. Given these dynamics, Human Resources leaders will need to be savvy and thoughtful about how to use all these new tools. They can be grafted onto a nasty personnel experience like a bad cyborg - think “The Terminator” stomping around with heightened abilities but no humanity. Or they can be popped seamlessly into a working system, making it even better, like Thor's new bionic eye.

Here are three steps to ensure that you embrace new Human Resources technologies in ways that make the employee experience better, driving longer term engagement and productivity for the people that you work with and your company.

STEP 1: DECIDE WHAT IS WORTH AUTOMATING

It is great to bring in more software to better automate and facilitate time-consuming and tedious work processes. But the point



FROM THE US

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of automating critical, but often repetitive, administrative work is to make more space for the hands-on and human-centric aspects of the Human Resources function.

Onboarding provides a good example. There are multiple startups whose software streamline onboarding into an easy-to-digest process that welcomes employees and takes care of paperwork digitally - all while saving the time of other employees. This time can then be spent introducing the employee to the company's culture and people, which likely requires a more personal touch.

STEP 2: USE THIS “EXTRA TIME” - AND DATA - TO FIGURE OUT HOW EMPLOYEES ARE DOING, AND OFFER WHAT WILL HELP THEM THE MOST

Those quotation marks around “extra time” are intentional, because it's not clear that many of

TECHNOLOGY

us feel a lot of cushion in our days. That said, automating some Human Resources processes - like scheduling interviews, managing enrollment processes, monitoring performance management activities - does hopefully create space for Human Resources leaders to investigate and implement the programs that will mean the most to employees.

There has been an explosion in new types of perks and benefits and programs. Sifting through them is complicated. Staying data-centric can help. We're seeing the rise of “people analytics”, which helps HR Professionals make more accurate and focused decisions relevant to their specific workforce. This can be invaluable in understanding and improving performance, by enabling leaders to target their coaching and training effectively. It can also guide decisions about which of these new programs to invest in.

Our read of the data is that financial wellness should top the list. With inflation on the rise, more and more people feel tight on funds. Even before this, over half of working people (52%) said they were worried about their financial health - higher than either their physical or mental health. In fact, companies lose \$250 billion in productivity annually due to financial stress.

People overwhelmingly (72%) report that they want to work for a company that cares about their financial wellbeing, even if they don't use all of the financial wellness programs that are offered to them. Plus it is well documented that Millennials, who are now the largest slice of the workforce, care deeply about the purpose and values of their workplace.

Enabling access to an emergency relief fund is one of the most tangible ways to show employees that the company cares. The way that emergency relief funds work is that the company (and/or individuals) donate funds to a charitable organization, for the purpose of helping employees in need. Companies often

hire a third party to manage the fund, to ensure that employees can maintain their dignity and anonymity when they experience a challenge. Then, when an employee lives in the path of a hurricane or experiences a personal crisis that operates in the same way, they can apply for assistance.

Employers have access to an admin console that provides real-time data on program usage. This equips HR teams with important, actionable insights about how often their employees need access to emergency assistance and what they use the money for. Ultimately, the data helps paint a picture of what their employees need to live happy, healthy lives and bring a less stressed, more focused version of themselves to work.

There are other financial wellness benefits we love seeing Human Resources leaders invest in. Financial coaching and advice (like that offered by Addition Wealth, Brightside, or Trust Plus) for example, is much easier to offer at scale, now that technology is being used to automate this function more effectively. Emergency savings (like Sunny Day Fund) are similarly enabled by technology, now that it is straightforward to automatically fund multiple accounts through payroll processes.

STEP 3: CHOOSE TECHNOLOGY THAT DELIGHTS

This step, which is harder than it sounds, is to choose good technology. Historically, a lot of B2B software hasn't been designed to delight its users, especially in employee benefits. Has any HR team ever, anywhere, gotten a compliment about how easy it is to use their company's 401(k) portal? How about their health insurance reimbursement process? No? I didn't think so.

While these are third party vendors for the most part, it doesn't change that the employee is the one who is frustrated when trying to access them.

TECHNOLOGY



New entrants into HR tech open the possibility that solutions will truly be designed with the ultimate users - the employee and the HR Manager - top of mind. Think "Iron Man" from his last movie, rather than his first.

To get there, however, Human Resources teams are now expected to understand and choose among technology vendors. They need to explain the benefits of the technology to their partners in finance and management to justify the cost, and then communicate how to use the technology clearly to employees.

They also need to push their vendors to invest in user-centric and behavioral design. Good design is more than just pleasing to look at. Good design reduces cognitive load, improving analytical and decision-making skills and creating more mental space for the things in the work day that are hard.

STEP 4: THE FUTURE OF HR

There's never a step 4 in a piece like this. And, I don't have one either. What I'll say is something you already know - the ongoing digital transformation, mixed with the cultural shifts created by the pandemic, is creating an opportunity for a new and improved Human Resources function. The job is definitely harder than it was a few years ago, but hopefully in a rewarding and useful way.

Choose your favorite cyborg ... maybe it's Captain Picard and his artificial heart, or Inspector Gadget, or The Bionic Woman. The good ones always manage to use their technological enhancements to further their humanity. That's the opportunity in front of Human Resources leaders today. ■

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