

# Assessing the Effectiveness of HR Technology: Impact and Analysis





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# INTRODUCTION to HR-TECH

Over the years, HR technology has evolved from basic payroll and personnel management systems to comprehensive solutions that encompass recruitment, onboarding, employee engagement, performance management, learning and development, analytics, and more.

The adoption of HR technology has become increasingly prevalent as organizations recognize its potential to streamline HR operations, enhance decision-making, and improve the employee experience.

From small startups to large enterprises, companies across various industries are leveraging HR tech solutions to automate manual tasks, reduce administrative burden, and enable HR professionals to focus on strategic initiatives that drive business growth.





# The Key Components





# The Real Challenges Faced by HRs



## HR Technology & Systems

Managing HR processes and data using technology can be challenging, especially when dealing with multiple systems and software platforms.



## Performance Management

Designing and implementing effective performance management systems is a continuous challenge for HR professionals.



## Compliances & Regulations

HR teams need to stay updated with constantly evolving labor laws, regulations, and employment practices.



## Engagement & Retention

Engaging and retaining employees is vital for organizational success, but it poses a significant challenge.



## Training & Development

HR faces challenges in designing relevant training programs, aligning them with company goals, and measuring their impact.



## Data Analytics & Metrics

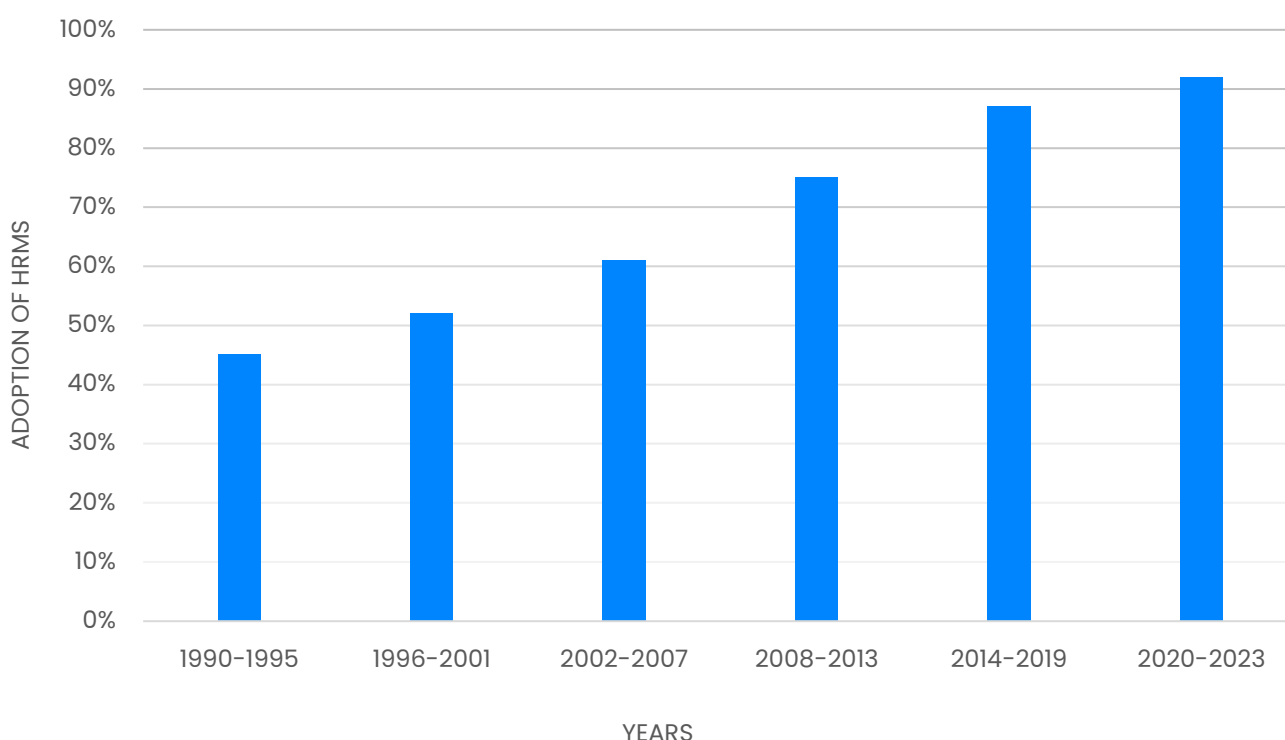
Leveraging data analytics to take strategic decisions is an emerging challenge for HR professionals.



# HRMS Trends Over the Years

This report explores the evolution of HR technology trends, specifically focusing on Human Resource Management (HRM). It presents noteworthy findings regarding organisations' uptake of advanced HR technologies over time. The aim is to provide a succinct overview for stakeholders, industry professionals, and decision-makers navigating the dynamic human resources landscape.









The accompanying graph illustrates the progression of HRMS adoption rates from 1990 to 2023: 45% from 1990 to 1995, 52% from 1996 to 2001, 61% from 2002 to 2007, 75% from 2008 to 2013, 87% from 2014 to 2019, and 92% from 2020 to 2023. This data underscores the gradual increase in the adoption of HR technology and generative AI over the years.





# What HRs Look in an HRMS?

When HR professionals evaluate an HRMS (Human Resource Management System), they typically look for several key features and functionalities that could level up the success metrics of their organization. Here are some aspects that HR professionals consider when assessing an HRMS:

-  **Centralized Employee Database**
-  **Performance Management**
-  **Attendance & Leave Management**
-  **Seamless Integration**
-  **Applicant Tracking**
-  **Benefits Administration**
-  **Employee Self service Portal**
-  **Data Security**

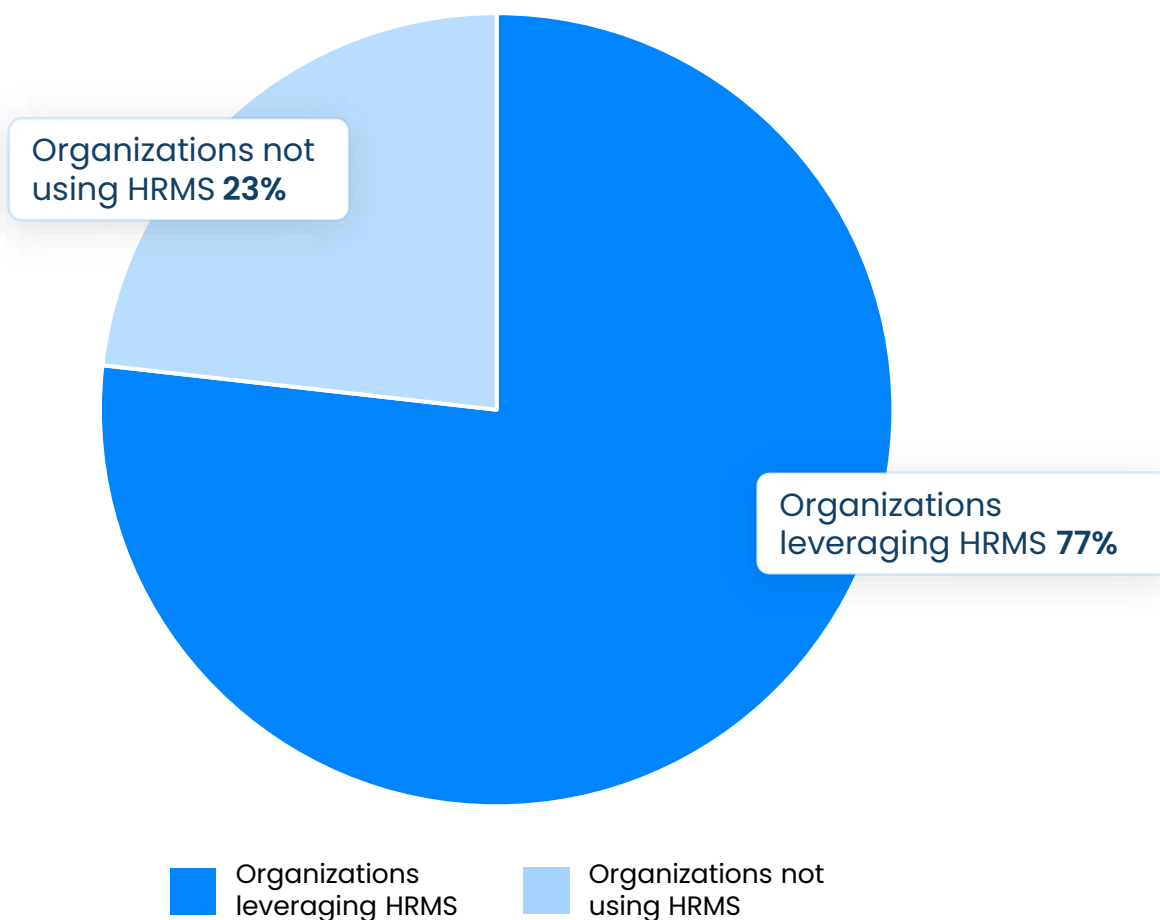




# Articulating the Key Metrics

## The Adoption of HRMS within Different Organizations

The findings analyze the data collected from a survey of companies utilizing Human Resource Management Systems (HRMS) and companies using manual processes to manage their HR operations. These findings focus on the impact of HRMS implementation on various key metrics, including reduced payroll errors, lower attrition rate, improved employee engagement, increased productivity, enhanced reporting and analytics, among other key metrics.





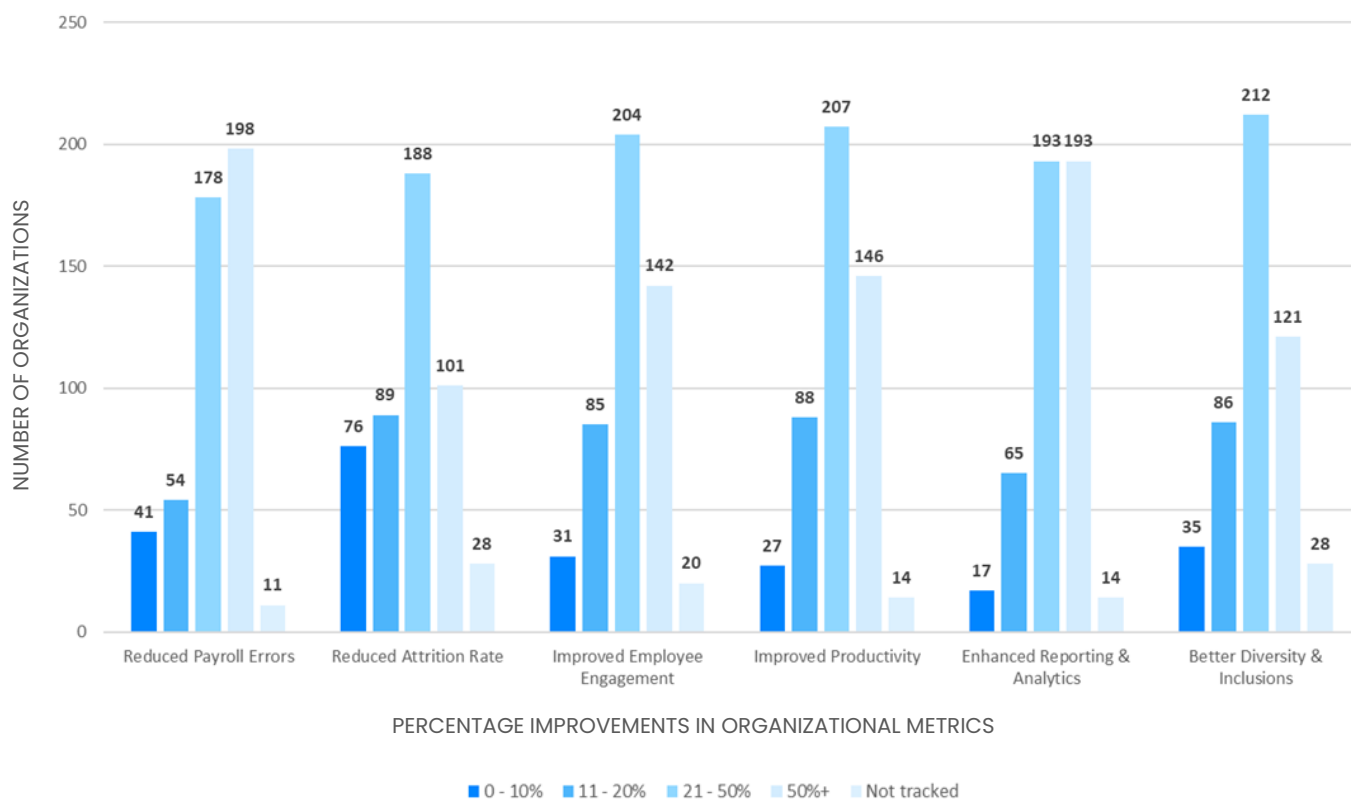


# Impact & Effectiveness (HRMS Users)

## The Impact of HRMS Adoption

The effectiveness of HRMS (Human Resource Management System) implementation varies across organizations but is typically measured by several key indicators. These include enhanced operational efficiency through streamlined HR processes, improved accuracy in payroll and employee data management, increased compliance with labor regulations, and the facilitation of self-service options for employees.

The accompanying data illustrates the percentage improvements in organizational metrics following the implementation of HRMS in 483 organizations that were surveyed.

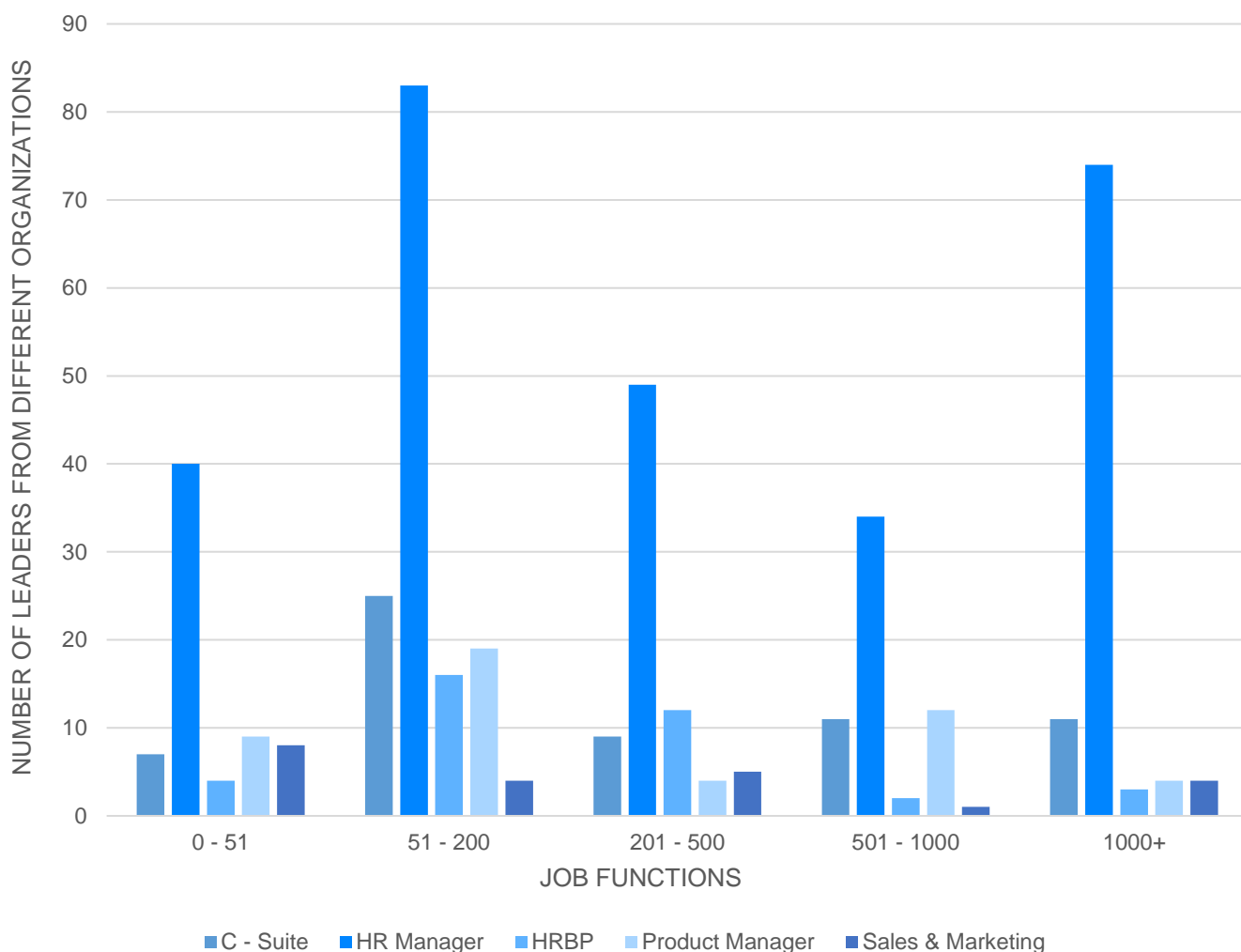




# Impact & Effectiveness (HRMS Users)

## Adoption of HRMS by different job roles across different-sized organisations

This report validates the adoption of HRMS solutions among different job roles, including C-suite executives, senior HR heads and other decision-makers across organizations of varying sizes.





# Impact & Effectiveness (HRMS Users)

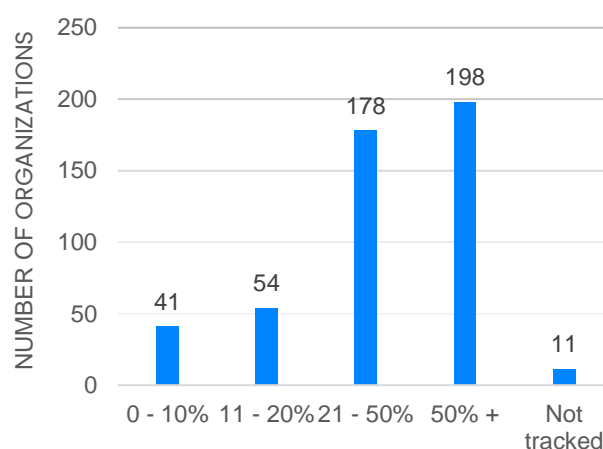
Let's put some light on key metrics articulated.

## Reduction in Payroll Errors

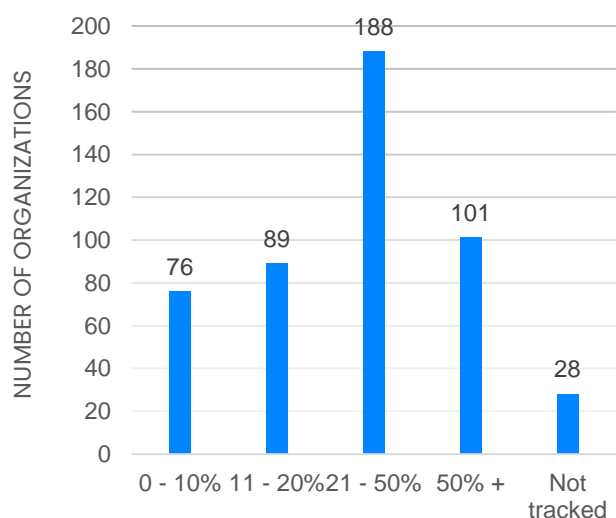
The data presents the number of organizations and the corresponding percentage decrease in payroll errors following the implementation of HRMS in those organizations.

**41%**

of the organizations have seen more than **50%** reduction in payroll errors.



PERCENTAGE REDUCTION IN PAYROLL ERRORS



PERCENTAGE REDUCTION IN ATTRITION RATE

## Reduction in Attrition Rate

The data presents the number of organizations and the corresponding percentage reduction in the attrition rate following the implementation of HRMS in those organizations.

**21%**

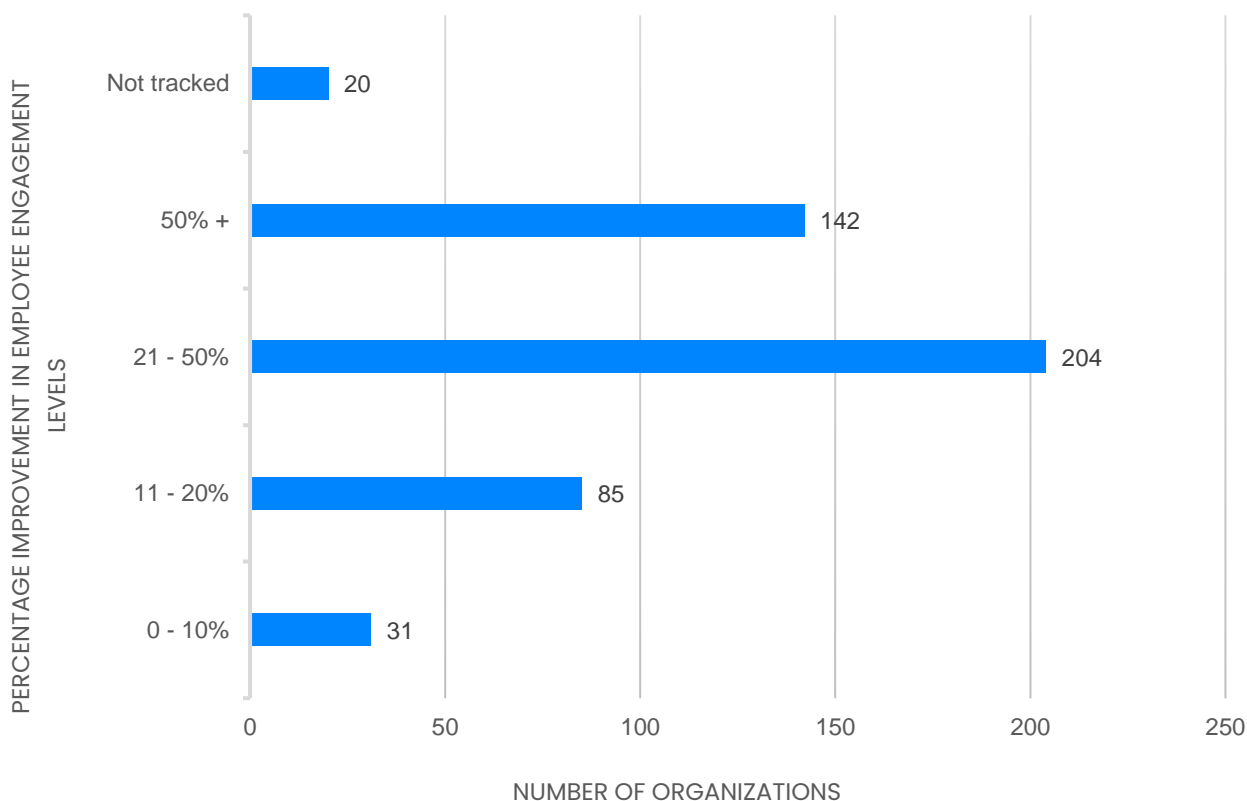
of the organizations believe that their attrition rate has been reduced by more than **50%**.



# Impact & Effectiveness (HRMS Users)

## Improvement in Employee Engagement

The data presents the number of organizations and the corresponding percentage improvement in employee engagement levels following the implementation of HRMS in those organizations.



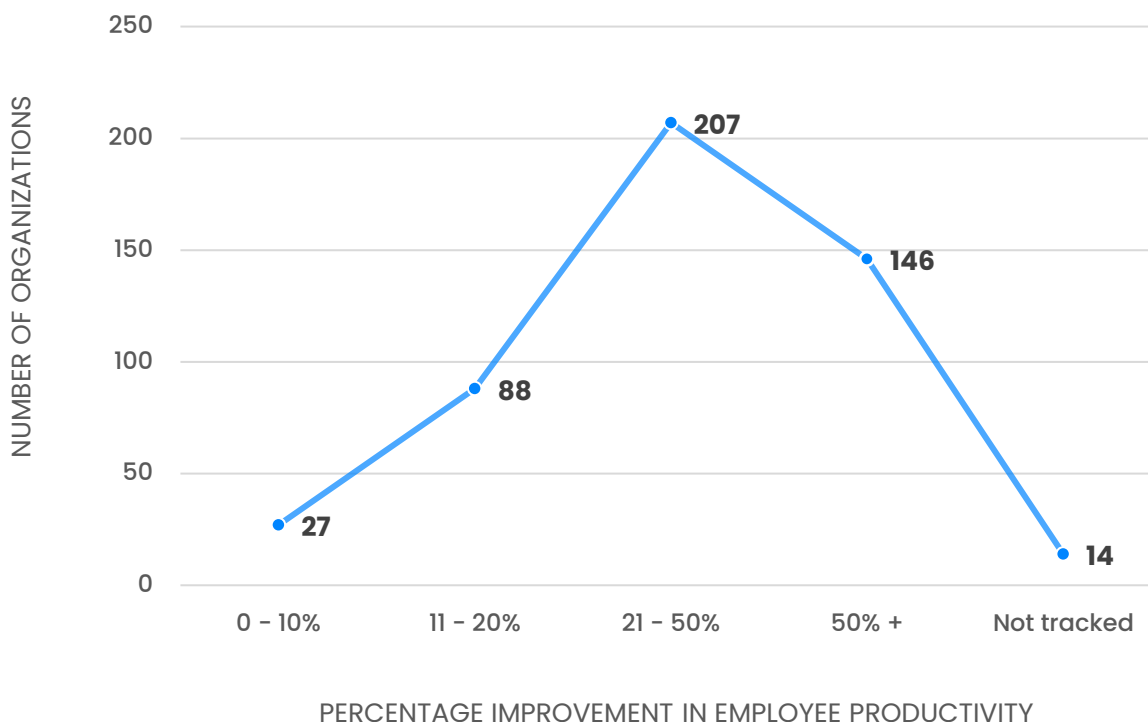
**30%** of the organizations feel that the employee engagement levels have been improved by **50%**.



# Impact & Effectiveness (HRMS Users)

## Gradual Increase in Productivity within Organizations

The data presents the number of organizations and the corresponding percentage improvement in employee productivity following the implementation of HRMS in those organizations.



**31%**

of the organizations believe that there have been more than **50%** improvement in employee productivity.



# Impact & Effectiveness (HRMS Users)

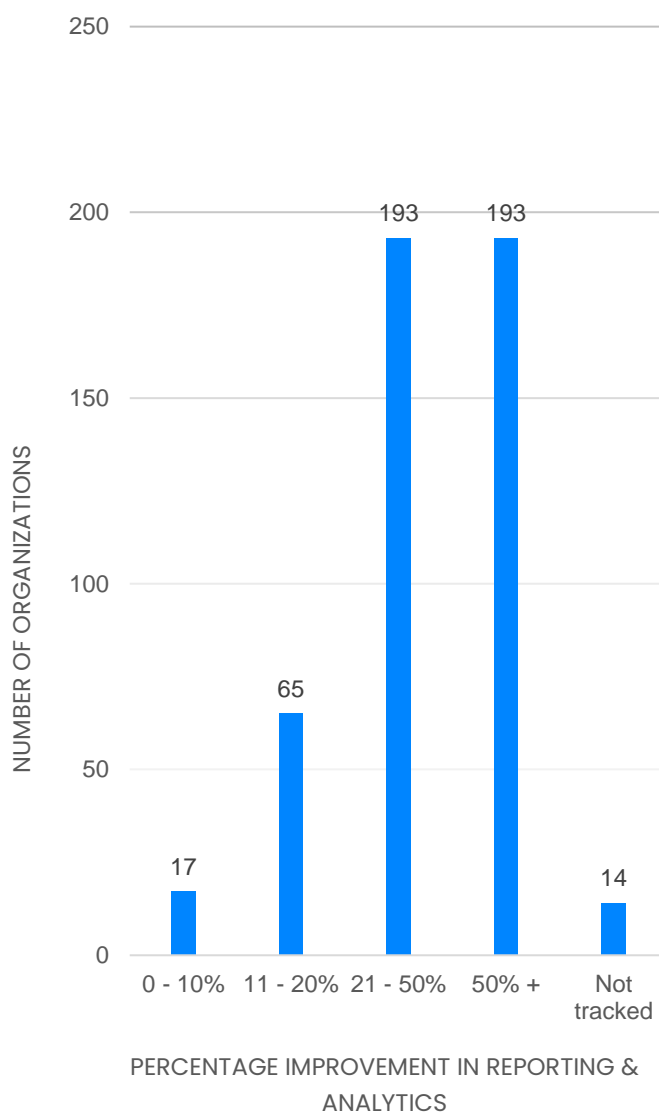
## Improvement in Reporting & Analytics

This graphical representation demonstrates the influence of HR Analytics on organizational decision-making. Surveys conducted among top HR professionals and decision-makers reveal that approximately 31% of respondents acknowledge a 50% enhancement in decision-making efficiency through the utilization of reports and analytics

**31%**

of the organizations feel that the reporting and analytics have been improved by

**50%**



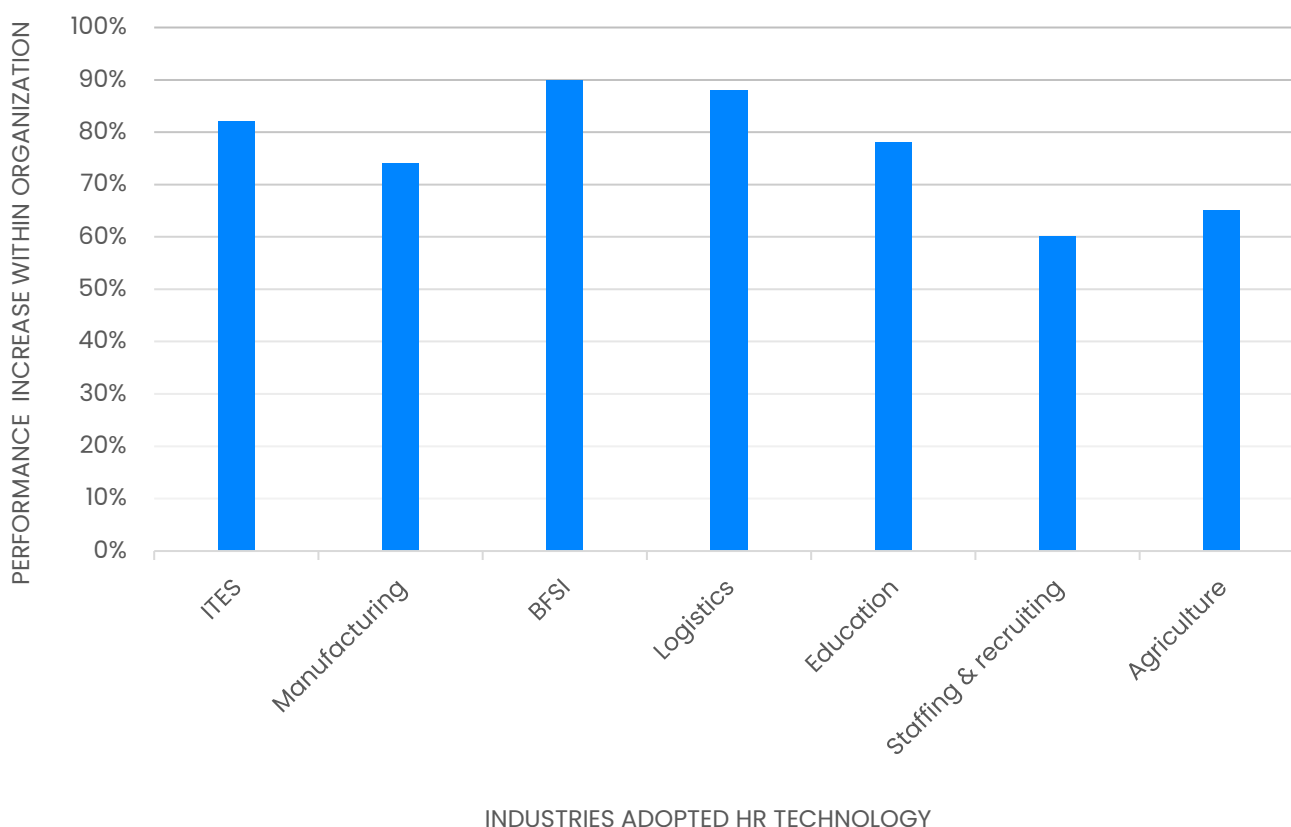


# Impact & Effectiveness (HRMS Users)

## HR Tech Adoption Increases Employee Performance

Based on extensive surveys conducted among HR leaders and key decision-makers, our research findings unequivocally demonstrate that HR technology plays a pivotal role in promoting transparency within organizational workflows.

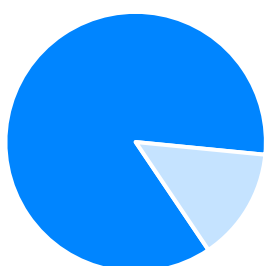
Furthermore, our analysis indicates a clear correlation between the adoption of HR technology and increased productivity across various organizational functions. This research has been conducted across organizations of different sizes and incorporates feedback from various job roles occupying leadership positions in their respective domains.





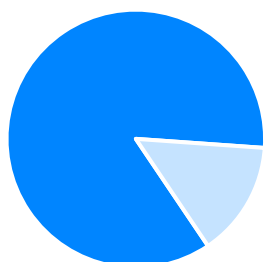
# Impact & Effectiveness (HRMS Users)

HR professionals' benefit from HRMS features like employee self-service, centralized data storage, payroll automation, time and attendance tracking, benefits administration, recruitment tools, performance management, analytics and reporting, compliance management, document storage, workflow automation, training and development tracking, succession planning, and mobile accessibility. These features streamline HR processes, improve data accuracy, and support strategic decision-making, making HRMS a valuable tool for HR teams.



## 86%

HR professionals feel that leave, time, and attendance tracking improved after the implementation of HRMS in their organization.



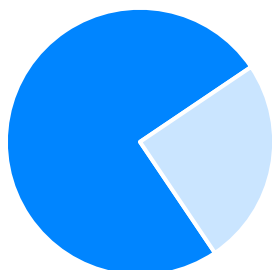
## 83%

HR professionals feel that HRMS helps their organization to take a proactive approach.



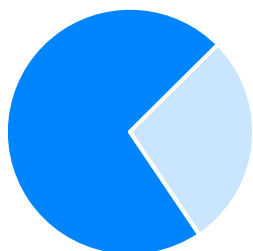


# Impact & Effectiveness (HRMS Users)



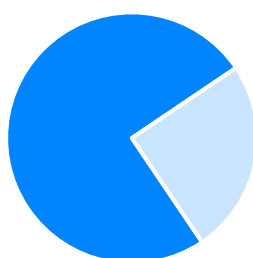
**74%**

HR professionals feel that HRMS helps the organization forecast the HR needs and improve hiring.



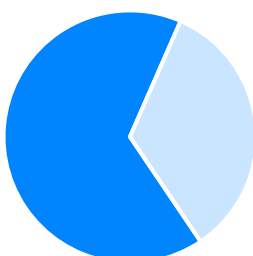
**72%**

HR professionals working in large enterprises feel that HRMS should embed some level of AI making the tool much efficient and easy to use.



**67%**

HR professionals feel that implementation of the HRMS have helped them in making the onboarding process better.



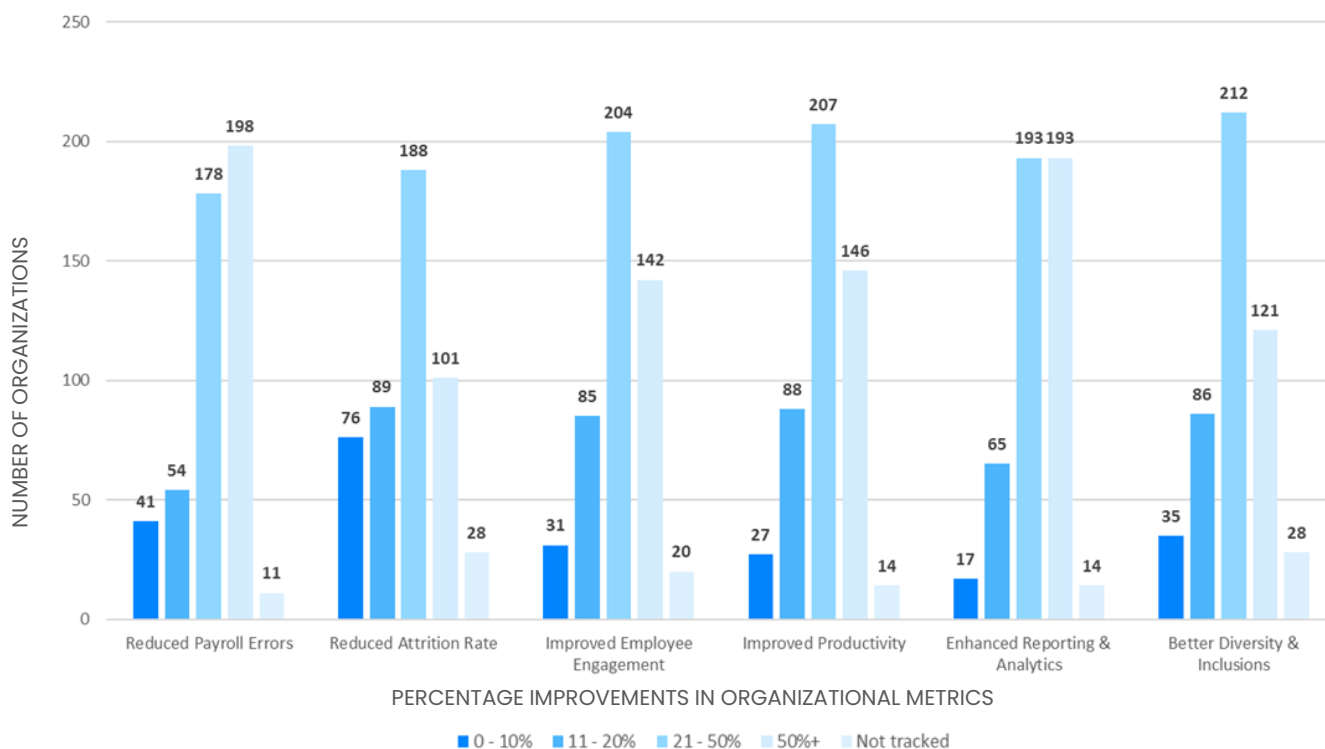
**66%**

HR professionals said that it became easy to track employee performance and run appraisals after the implementation of HRMS in their organization.



# Impact & Effectiveness (Non-HRMS Users)

HRMS streamlines HR processes, reducing administrative burdens and minimizing errors. It enhances efficiency, saves costs, and ensures compliance with labor laws. Employee self-service options improve satisfaction, and data security safeguards sensitive information. Moreover, HRMS provides valuable data insights for strategic decision-making, and its scalability supports business growth.



The accompanying data illustrates the percentage improvements in organizational metrics following the implementation of HRMS in 483 organizations that were surveyed.



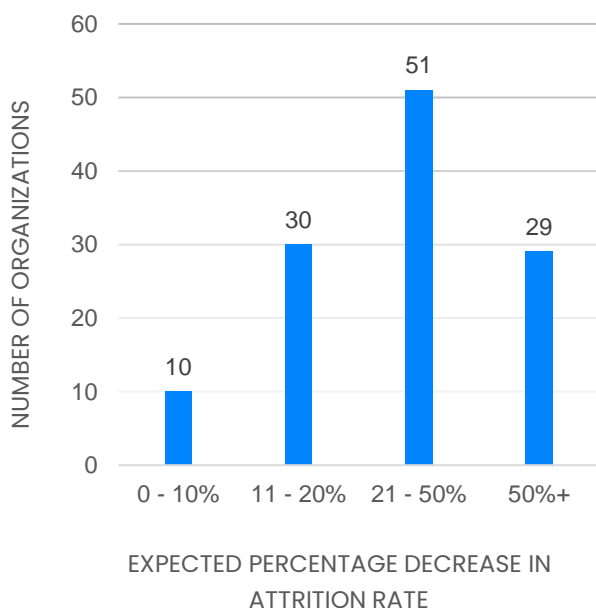
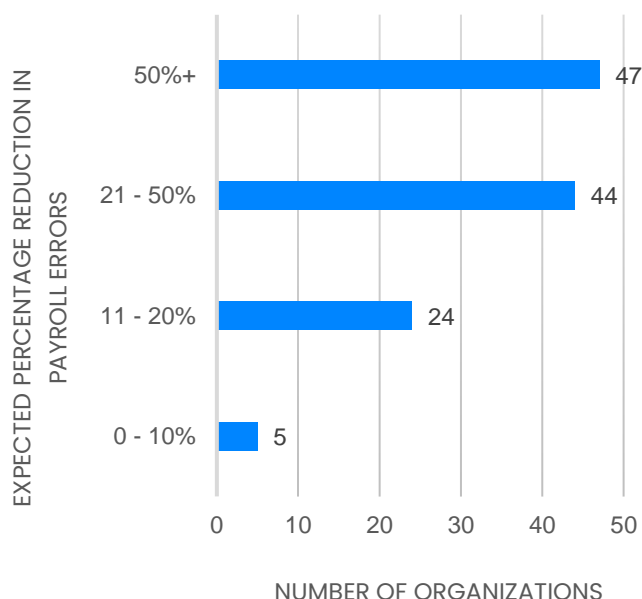
# Impact & Effectiveness (Non-HRMS Users)

## Reduction in Payroll Errors

The data presents the number of organizations and the expected percentage decrease in payroll errors after they implement HRMS.

**40%**

of the organizations feel that the payroll errors can reduce up to **50%** after the implementation of HRMS.



## Reduction in Attrition Rate

The data presents the number of organizations and the expected percentage decrease in attrition rate after they implement HRMS.

**25%**

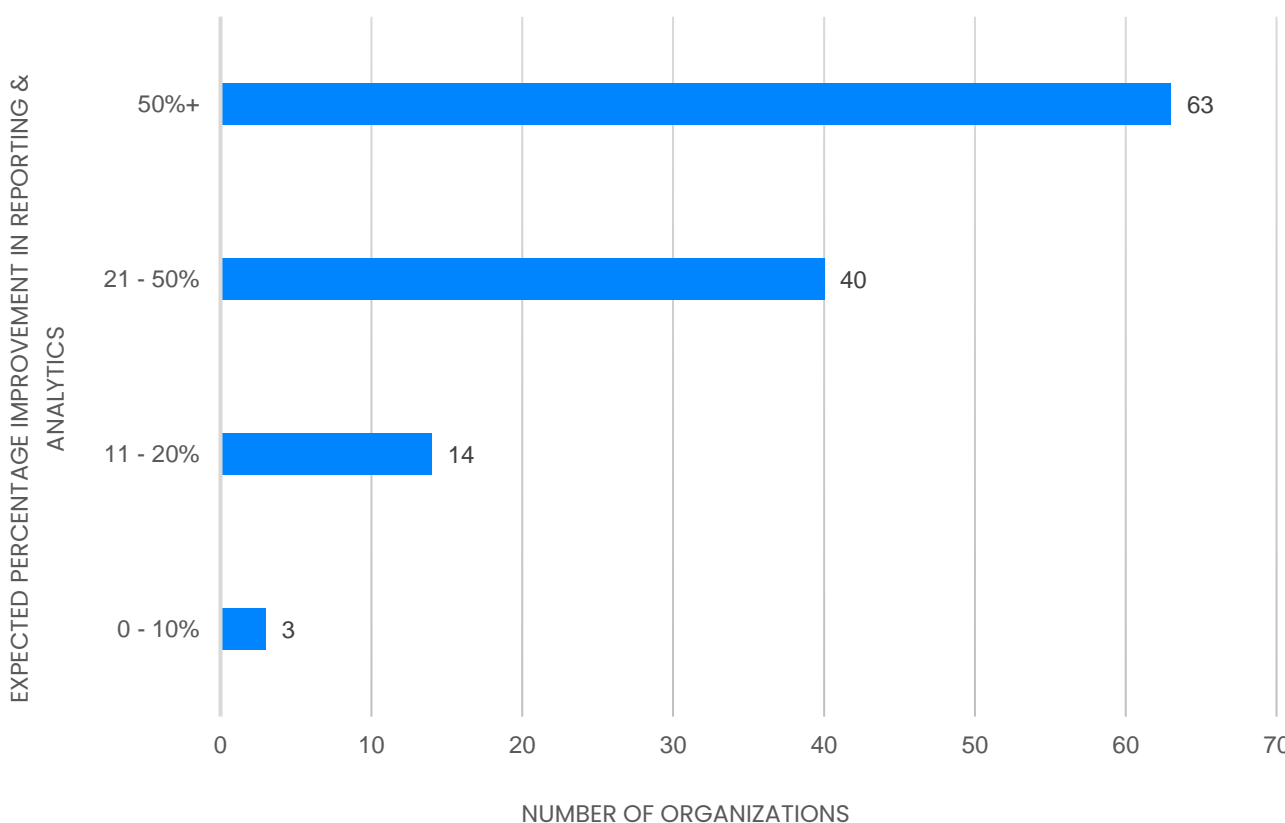
of the organizations believe that their attrition rate can be reduced by more than **50%** after the implementation of HRMS.



# Impact & Effectiveness (Non-HRMS Users)

## Improvement in Reporting & Analytics

The data presents the number of organizations and the expected percentage improvement in reporting and analytics after they implement HRMS.



**36%** organizations believe that employee productivity can increase by 50% after the implementation of HRMS.



# The Final Showdown

The findings of this report clearly indicate that the modern organizations need a fully functional HRMS for improving their key metrics. It streamlines HR operations by automating tasks like payroll processing, leave management, and employee data management, reducing administrative burdens. HRMS enhances data accuracy and compliance with labor laws and regulations, mitigating legal risks.

A robust HRMS facilitates talent management by offering tools for performance evaluations, training tracking, and succession planning. Moreover, it supports remote and hybrid work models, making it essential in the post-pandemic work landscape. Additionally, HRMS provides valuable data analytics, aiding in strategic decision-making and workforce planning.

*Overall, in a competitive job market and dynamic business environment, a fully functional HRMS is indispensable for optimizing HR processes, fostering a positive workplace culture, and staying agile in the face of evolving workforce challenges.*



# Considering an HRMS?

An HRMS is a powerful tool that streamlines HR processes and improves organizational efficiency. With automation, real-time analytics, and enhanced communication, an HRMS offers significant benefits for businesses. It empowers organizations to effectively manage their workforce, make data-driven decisions, and drive growth. Discover the transformative potential of an HRMS and revolutionize your HR operations.

**Supercharge** your organization with an HRMS built for the workplace of the future, workforce of the future.

[Schedule a Demo](#)

