

A Guide to HR Technology for Large Organisations



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Introduction

Many of the online services we use today operate through the cloud. What was once a mysterious, abstract concept has slowly become part of our everyday lives. Today as consumers we use cloud-based apps and other technology for entertainment streaming, shopping, data storage, and countless other facets of life.

Organisations, too, are increasingly shifting their operations to the cloud. The last few years have seen modern businesses migrate to this model en masse to reinvent how they deliver their products and services and undertake business in a rapidly evolving technological landscape.

One area made significantly more efficient through the cloud is HR. Many HR functions and tasks are still coordinated via spreadsheets and other time-consuming, data-heavy manual processes. However, the business world continues to evolve, and the once-trusty spreadsheet is no longer the best choice when it comes to workforce management.

Spending time and resources wrangling error-prone spreadsheets and endless administration tasks means less time and resources can be devoted to more critical areas, such as cultivating an unforgettable employee experience (EX) and ensuring employees are productive and engaged. The use of spreadsheets also increases the chance of incorrect data entry and data duplication – creating a potentially costly compliance nightmare.

Fortunately, automating HR processes through technology can help. In fact, one study¹ revealed that 56% of typical 'hire-to-retire' tasks could be automated with technology.

All of this points to the need for secure and centralised systems. This is where cloud-based HR automation via a human resource information system (HRIS) comes in to play.

In this whitepaper we will answer the following questions:

- What is cloud technology and HR automation?
- How can automating certain processes benefit HR?
- What are the benefits of moving to cloud-based HR platforms?
- What pain points can a HRIS address?
- How do I select the right HRIS vendor for my business?

1. "Human resources in the age of automation", McKinsey,

CHAPTER 1

What do we mean by cloud technology and automation?

Before undertaking any research into new technology, it's important to understand commonly used terms. In this chapter, we explore cloud technology and automation and how both can significantly benefit your business.

What is cloud technology and how is it revolutionising the workplace?

Cloud computing has significantly impacted business operations. Not only are cloud services allowing us to work in more dynamic ways than ever before, they are also changing business models and enabling smaller players to disrupt markets with greater ease than was previously possible.

As cloud services evolve, their impact on global economies will escalate. Indeed, the adoption of cloud services by organisations across the world has already yielded significant productivity gains.

Many factors are driving the increasing number of organisations migrating to the cloud – increased flexibility, cost, and data security and the need to upgrade outmoded technology infrastructure are often named as key motivators behind the large-scale shift from on-premise software. The rise of remote working and increased need for flexibility, as a result of the global pandemic, is another major driving force in the uptake of cloud technology adoption.

Switching to a cloud-based solution standardises operations and streamlines manual processes. Cloud-based systems act as a single source of truth – for everything from payroll to CRM and everything in between. Not only does this cut costs, it also helps organisations to innovate more quickly. By freeing up time ordinarily spent on capacity planning, procurement or waiting for requested infrastructure, more time can be spent on finding solutions to problems and delivering value to the business.

This has built a strong case for HR to be able to access a cloud-based, centralised HR data system from anywhere at any time, in order to complete the mission-critical HR tasks of running payroll, accessing employee data, and delivering employee engagement initiative. Research reveals that IT leaders are considering downsizing physical IT infrastructure and transitioning to a cloud-model to automate burdensome processes.²

As cloud services evolve, their impact on global economies will escalate.

2. Citrix survey, 2020

What is HR automation and why should businesses automate?

Automating HR processes can be a game-changer for HR teams. The ability to streamline many day-to-day HR tasks not only boosts productivity and efficiency but also mitigates the risks and costs associated with human error. It frees up time not just for HR professionals, but also for employees, who – through self-service functionality offered by HR technology – are empowered to update their own personal details, manage their own leave and access information such as pay slips.

What is employee self-service (ESS) and how can it benefit your organisation?

Employee self-service (ESS) is cloud-based technology that facilitates many typical HR functions. It is a secure, centralised platform – often delivered via an organisation's intranet or portal – where employees can access and modify their personal information anytime, anywhere, from any device.

ESS technology automates people management and gives staff the ability to update things like personal contact details and bank details and perform work-related tasks: view leave balances and make requests, access payslips, claim expenses, apply for reimbursements, and access company benefits information.

Manager Self-Service is often a function of ESS, where managers can oversee their team and check employee leave balance and absences, for example. Today, ESS is typically part of a broader human capital management (HCM) platform or human resources information system (HRIS) and delivered via a comprehensive software-as-a-service (SaaS) platform. ESS functionality typically also integrates with other compatible systems through an API.

Find out more about the features and benefits of ESS on ELMO's blog.

ELMO's 2021 HR Industry Benchmark Report, which is based on a survey of over 1,800 HR professionals in Australia and New Zealand, uncovered some interesting statistics relating to HR time and resource spend. See some key figures below.

33.4 days

It takes 33.4 days on average to fill a vacant position

\$10,500

It costs \$10,500 on average to fill a vacant position

7 hours per week

The majority of the time that HR spends onboarding new employees is dedicated to 'conducting rolespecific training', at 7 hours

76 hours per year

Managers spend 76 hours per year conducting performance appraisals, compared to 67 hours per year invested by employees

7 hours per year

For payroll, the task that takes up the most time is gathering required data, which takes 7 hours per month

\$6,600 per year

Employees spend 7 days per year undertaking formal training, at an average cost of \$6,600

The figures above show how much time and money is associated with various people-related processes. Imagine being able to claw all that back?

Automation can help HR get back to more value-adding activities such as strategic talent planning, using predictive data to build future scenarios, and of course, nurturing employees and creating an exceptional employee experience (EX).

Not only this: automation helps with compliance. In an ever-changing regulatory landscape, staying compliant has never been more important. Automation reduces the risk of human error, non-compliance, and penalties.

And of course, there is COVID-19 to contend with, and its impact on HR operations. The pandemic forced organisations to pivot to remote working setups – a trend that is likely to endure well into the future.

HR process automation...

- Boosts productivity
- Improves engagement and enhances the EX
- Provides greater workforce visibility
- Helps with compliance
- Saves time, money and resources for HR departments

CHAPTER 2

What is a human resource information system (HRIS)?

Continuing the theme of understanding commonly used terms, this chapter covers everything you may need to know about a HRIS – from expected functionality to the benefits a HRIS may have on your business.



HRIS stands for human resource information system. A HRIS stores and manages all your employee data on one platform that is easy to use. While cloud-based applications are popular, HRIS are also available as on-premise (installed on your servers) applications.

The HRIS merges all apps and programs relating to data tracking, payroll, recruitment, learning and other essential HR functions into one universal, cost-effective system. This can be customised to suit your unique business needs and may include all aspects relating to an employee's lifecycle with an employer, from "hire to retire".

Instead of scurrying around looking for paper files, data is uploaded to the system once and can then be updated easily from a centralised point. It's then made available to all staff, and tiered access allows greater functionality to managers or system administrators. Multiple employees can log on at the same time and collaborate with each other, from any device. This eases the administrative burden and simplifies the workday for you and your HR team.

The number of HRIS available is extensive, with some systems designed for small business and others aimed at larger enterprises. No matter which software vendor you choose, all HRIS help you manage employee data and maintain compliance with employment regulations.

Is there a difference between HRIS, HCM and HRMS?

There are several terms used interchangeably to describe cloud-based HR, payroll and/or talent management software. The three most commonly used terms are:

- HRIS (human resources information system)
- HCM (human capital management)
- HRMS (human resources management system)

Although system functionality differs from vendor to vendor, core areas covered by all three typically include HR Core, Recruitment, Onboarding, Remuneration & Benefits, Learning & Development, Rewards & Recognition, Reporting, and Self-Service. For the sake of consistency, in this guide we refer to such systems as HRIS.



OF ORGANISATIONS

have accelerated their digital transformation strategy as a result of COVID-19.

KPMG's 2020 global survey

Integrated vs. best-of-breed HR systems

When understanding what a HRIS can do for you, it's important to familiarise yourself with the debate around integrated vs. best-of-breed HR systems. Below are some key definitions.

Integrated HR systems (HRIS):

These systems, sometimes referred to as "all-in-one solutions", provide business with all (or most) HR functions in one system, with data being shared between the modules to create a "single source of truth". Not only does this ease the administrative burden of inputting data into different systems, it also means fewer opportunities for error through double handling of data.

Best-of-breed:

Sometimes referred to as "point solutions", these platforms or apps provide a deep dive into a functional HR area, such as recruitment, learning via a learning management system (LMS), payroll or performance management. They usually offer more specialised functions than core features.

Integrated HR systems (HRIS)

BENEFITS	DRAWBACKS
Simplified processes	Components or modules may lack the features seen in the best specialised
A single set of data	systems
Enhanced compliance	
Time-savings	
Scalability	Risk of business disruption if vendor servers crash or suffer a data security
Improved reporting and analytics	breach (see ELMO's commitment to security <u>here</u>)
A single point of contact	
Lower long-term costs	
Streamlined workflows and approval processes	More complicated and time- consuming implementation due to size and scope of an integrated system
Unified and consistent user experience	

For a more detailed explanation of integrated vs. best-of-breed HR systems, <u>download ELMO's whitepaper</u>.

Why would I need a HRIS? What pain points does it address?

Every organisation is unique, with different priorities, challenges and opportunities. However, there are some common triggers that would motivate an organisation to explore the option of purchasing a HRIS. These might include:

A growing company.

As a business grows, it becomes difficult to gather, update, and track multiple pieces of information for each employee. Relying on spreadsheets and manually handling data is simply too time-consuming and prone to errors. Learn more about why you shouldn't rely on spreadsheets for key business activities in ELMO's blog.

Workforce complexities.

Complex workforces where staff operate under different awards, or a mix of fulltimers and gig workers, requires more sophisticated management systems.

A geographically dispersed workforce.

When a workforce is broad and dispersed geographically – across teams, offices, states or countries – a cloud-based management system is a necessity. The same applies to employees who are constantly 'on the go' and may rarely convene in one central location.

Having multiple legacy systems.

When employee data is spread across multiple systems, it becomes siloed. Without a 'single source of truth', employers can fall prey to data processing errors and reporting difficulties.

Compliance issues.

Keeping track of compliance-related issues manually or using paper-based methods, especially for training or payroll, can be a drain on precious resources.

Lack of resources.

Most HR teams are stretched and team members juggle multiple priorities. Without the assistance of technology, HR teams can find their time is spent on manual transactional tasks such as printing documents, obtaining sign-offs and chasing approvals, instead of strategic operations.

A desire for more sophisticated reporting.

Today the onus is on HR to make decisions based on data and to report on trends with the same level of sophistication as other business departments. This can only be done efficiently by having all data in a single location – i.e. within a HRIS.

A desire to improve the employee experience (EX).

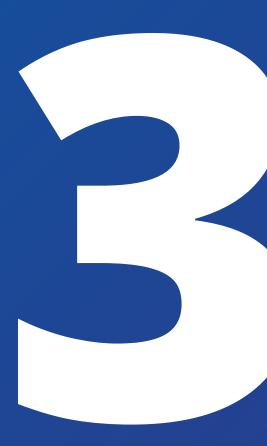
A good HRIS can help improve employees' perceptions of their organisation. Whether it's a seamless onboarding process, an app that allows them to look up a co-worker's contact information, or the ability to update and request time off, a good HRIS can enhance the work experience for all employees.

We'll explore these a little more over the following pages.

CHAPTER 3

The benefits of cloud-based HR

From greater flexibility – especially in a hybrid work environment – to simplified processes and the ability to scale as your business grows, there are countless benefits to cloud-based HR technology. We outline those benefits in this chapter.



HR is an area that benefits greatly from transitioning to cloud-based technology. The HR department deals with vast amounts of employee and financial data – all of which must be accurate, secure, and compliant.

Below, we'll outline how moving to the cloud can be beneficial for HR services – helping to drive efficiencies and productivity, gain actionable data insights, and to remain agile.

Benefits of cloud-based HR:

- Flexibility
- Simplified processes
- Collaboration
- Security
- Business future-proofing
- Scalability
- Improved reporting and analytics tools, regardless of location

Flexibility

As with all cloud-based services, cloud-based HR can be game-changing in a remote set-up – allowing access from any location on any device. All users can obtain tiered access to one single source of truth that can be continuously updated via the cloud. A single integrated system also reduces the risk of human error as data only needs to be entered once and then shared across all integrated modules.

Simplified processes

HR is a notoriously paper-heavy, spreadsheet-reliant function. Unfortunately, this increases the chance of data discrepancies. Having up-to-date, readily available access to employee data in a centralised ('single source of truth') format is a critical part of running efficient HR operations. For example, a cloud-based integrated HR platform with payroll functionality that interacts with time and attendance data not only streamlines processes but also helps to ensure accuracy and compliance. Similarly, an integrated platform with both learning and succession management modules can help facilitate career planning inside an organisation.

A single integrated system reduces the risk of human error.

Collaboration

Whenever a copy of a spreadsheet is made, it creates a financial management risk. With multiple duplicates existing across a company, it's a constant struggle to identify the most accurate and up-to-date dataset. Whenever updates are made, it creates a flood of legacy docs that remain lurking in the system.

Self-service functionality

Another element of cloud-based HR technology that greatly simplifies processes is self-service functionality. Such functionality empowers employees and managers to update and review personal data relating to payroll, annual leave, performance, and more - reducing the heavy administrative burden for HR professionals. With self-service technology within an integrated platform, employees and managers don't need to switch between systems and only need to use one common dashboard or interface, meaning the need for system training is reduced. Having one integrated system means employees only need to log in once to view key information (such as training status, payroll data, leave dates, etc.), removing the need for intervention from HR. Research suggests that 51% of employees have found that emerging technologies like cloud computing save both time and effort.3

Below are some ways self-service functionality can help:

FOR EMPLOYEES	FOR MANAGERS / HR
Ability to check annual leave, sick leave, and payslips online at any time	Approve annual leave requests and review balances
Update bank and super details online at any time	Track absentee rates
Fill out and send timesheets easily online at any time	Approve timesheets, rosters, and schedules; use real-time roster management
Submit and manage employee- initiated expense claims	Approve employee-initiated expense claims

^{3. &}quot;Time to transform: Tackling the startup challenge", Salesforce, 2019

Security

Using spreadsheets to run and manage key financial tasks, such as payroll or expense management, can be problematic. This is because spreadsheets were not designed to handle the volume and complexity of data that is generated in today's digitally connected world. In fact, using spreadsheets can be counterproductive for an organisation, and even expose it to security risks.

The risk of losing sensitive data is heightened when organisations rely on hardware to store it. By upgrading to the cloud, organisations have greater security when, for example, an employee loses a device. Research shows that 83% of IT leaders say they trust cloud security more than ever.³ Remote payroll operations can only happen in a secure cloud-based environment which provides tiered system access to relevant people as and when required. It is thought that reliance on email distribution or inflexible folder sharing may well become a thing of the past as we move beyond the pandemic, since strict risk assessment measures post COVID-19 aren't likely to permit such processes.

A commitment to security

Opting for a technology partner with robust security practices is critical. ELMO is ISO 27001:2013 certified – an important symbol of our ongoing commitment to security at all levels of business.

Business future-proofing

As the pandemic demonstrated, future-proofing business operations is critical in a VUCA (volatile, unpredictable, complex, ambiguous) world. However, with all HR data stored and backed up in the cloud, the risk of failure and data loss due to a natural disaster, power failure or other crisis is mitigated. All data is hosted in the cloud, allowing organisations to conduct business as usual and minimise any downtime and loss of productivity.

Scalability

Due to its subscription-based model, there is a high degree of flexibility and scalability with cloud-based systems, which means that users can be added if the organisation were to expand its workforce, for example. Even better, integrated, end-to-end HR software providers such as ELMO are module-based, so it's possible to start small with a few selected modules and licenses, and upscale as your business grows or HR's priorities change. Pricing reflects this modular approach – meaning financial outlay isn't as significant as you might think.

Improved reporting and analytics tools, regardless of location

Data analysis and comparison is much simpler when the data is extracted from one centralised system rather than several, or worse still, from spreadsheets filled with complex formulas. With a cloud-based system acting as a single source of truth, reports can be generated in just a few clicks, while visualisation tools help to present the data in a digestible way. Just as critically, the quality of data is improved due to a reduction in manual handling

CHAPTER 4

How HR automation can improve key business areas

Now that we understand what HR automation is and how it can help to improve business processes, over the following pages we outline how it can address specific problems in eight key business areas.

1. Streamlined recruitment processes

Finding the right talent takes time. ELMO's research reveals it takes organisations 33.4 days on average to fill a vacant position.⁴ Budget approval, job requisitioning, job advert creation and manually sifting through a high volume of job applications are just the beginning of the recruitment process; hiring managers and HR must them screen and interview candidates, manage follow-up communication (including informing candidates of unsuccessful applications) and negotiate a salary with the chosen hire.

Using automation to streamline recruitment delivers significant timesaving benefits for talent acquisition teams, who can manage and drive the recruitment strategy from a simple-to-use, centralised system. Meanwhile, a built-in job requisition generator means requisitions can be created in minutes for new positions and hiring managers can start actively recruiting quickly - drastically reducing the time-to-hire.

Automation also reduces hiring costs, thanks to branded external and internal career portals, integration with external job boards and the ability to create talent pools. Some solutions integrate with recruitment agencies to track and manage externally sourced candidates.

Recruitment process automation benefits:

- Reduced time-to-hire
- Reduced cost-to-hire
- A seamless candidate experience

Our recommendation

ELMO Recruitment is a configurable system that streamlines the hiring process from job requisition approval through to offer acceptance. It enables you to build candidate sourcing capability and to refine recruitment workflows, screening questions and interview processes - all while promoting your value proposition to attract the best talent.

4. ELMO's 2021 HR Industry Benchmark Report

2. Consistent, positive onboarding experiences

A new hire's first days, weeks and months of the job can have a lasting impact on their long-term tenure with the organisation. Research indicates that six in 10 managers have had a new employee resign during their probation period due to poor onboarding processes, and that nearly half (43%) say they have even lost an employee during the first month because of it.⁵

A seamless, consistent onboarding experience for all new hires leaves a strong first impression of your organisation, helping your new employees feel welcome, comfortable, and excited about starting their new role. Speeding up the onboarding process without cutting corners means quicker time to productivity for your new starter – which is great news for your business's bottom line.

Onboarding automation allows you to create, send and process job offers faster with a fully customisable onboarding experience. HR can create complex contracts automatically and send off for reviews – removing the need to chase managers for signatures.

Meanwhile, employees can access a suite of helpful resources (including policies and mandatory training) ahead of their start-date via automated point-of-need candidate workflows, helping them to feel confident and motivated, without the risk of information overload.

Onboarding process automation benefits:

- A positive candidate / new hire experience
- Reduced administration, paperwork, and cost for HR
- Quicker time to productivity for the new hire

Our recommendation

ELMO Onboarding helps you easily build great pre-boarding and onboarding experiences that eliminate paperwork through the digitisation of mandatory employee forms, while improving the new hire experience from day one. With our easy to use, centralised onboarding system, organisations can configure the onboarding process and workflows, assign due dates for tasks, documents and courses, send reminder emails, and report on various new hire metrics.

5. Robert Half, 2018

3. Enhanced employee engagement capabilities

Workforce engagement levels have a huge bearing on business outcomes.

Gallup research has found organisations with engaged employees are 17% more productive, 21% more profitable and experience 41% less absenteeism.⁶

But how do you know your workforce is engaged if you're not asking them? And how are employees supposed to feel their voices are being heard if there are no feedback channels to enable such a dialogue?

Engaging employees requires a deep understanding of their motivators and personal circumstances.

There is a significant 'human' element that cannot be automated or replaced even with the most advanced machine learning and artificial intelligence-driven technologies. However, technology can help to build ongoing employer/employee dialogue and enable two-way feedback. It can also help with the facilitation and delivery of rewards and recognition programs.

Employee survey technology enables organisations to conduct and manage staff surveys, providing valuable insights into employee sentiment.

Employee engagement process automation benefits:

- Helps to create a feedback culture where employees feel their opinions count
- Provides HR with actionable data insights into workforce sentiment
- Highlights employee sentiment trends to inform decision making

Our recommendation

ELMO Survey enables organisations to conduct and manage staff surveys throughout all points of the employee lifecycle to gain actionable insights into employees' attitudes and opinions towards work. With ELMO Survey, organisations can access a range of ready-made HR survey templates built by industry professionals to help streamline the process and ensure that only the most useful data is being collected. This in turn can help guide leaders towards making smarter business decisions.

EMPLOYEES ARE

★ 4.6x

more likely to feel empowered to perform their best work is they feel their voices are heard.⁷

 "The right culture: Not just about employee satisfaction", Gallup, 2017
 Salesforce, 2019

4. An improved employee experience (EX) through self-service

Self-service has become the norm in many areas in our lives – in supermarkets, in airports, online banking and more. Just as these types of businesses provide this functionality to improve the customer experience, HR technology offers functionality that empowers employees to update and manage their own data – improving the employee experience (EX). A positive EX, as we know, is linked to improved business outcomes.

Employers with a top-quartile EX, versus a bottom-quartile EX, achieve:8

- Twice the innovation
- Double the customer satisfaction
- 25% higher profits

Empowering employees to update their own details and seamlessly manage leave drastically improves the EX by giving employees a degree of autonomy and a sense of ownership over their personal information. This brings significant time-saving benefits to HR. Not only does it reduce the number of requests they need to be across by affording managers the ability to approve things such as leave requests; it ensures employee data is easily accessible and up to date in a secure, centralised place.

Self-service benefits:

- Eases the administrative burden for HR and managers, saving time and money
- Improves the employee experience
- Increases productivity for all employees

Our recommendation

<u>ELMO HR Core</u> centralises important employee data. HR Core's Employee Self-Service and Manager Self-Service functionality allows employees to find information from anywhere, on any device, at any time. It enables employees to apply for leave and check their leave balances, and for managers to oversee absences.

8. Gensler Work Survey, 2018

5. Flexible performance management

The traditional once-a-year approach to performance appraisals has long been a thorn in the sides of HR and managers, viewed by many as time-consuming and out of sync with evolving business needs. In fact, ELMO's 2021 HR Industry Benchmark Report revealed performance management was rated the third most time-consuming HR task, relative to the value it delivers.

As a result, many businesses are moving towards flexible, dynamic modes of performance management that favour frequent conversations, continuous improvement and feedback from managers and peers alike. HR technology automates elements of the performance management process, prompting managers and employees when it's time for performance check-ins in line with appraisal cycles through seamless workflows.

Goal-setting capabilities can be configured to requirement, enabling goal-setting flexibility that aligns with agile principles and visibility of how goals link to overall organisational objectives. Meanwhile, tailored performance appraisals – including 360° reviews – are enabled, as well as the ability to give peer recognition.

All this functionality supports dynamic performance management practices that assist in the development of a high-performance culture.

Performance management process automation benefits:

- Enables tailored performance appraisals
- Creates simplified and automated workflows
- Enables greater performance management visibility for team members and managers

Organisations
with employees
who receive
feedback report
14.9% lower
turnover rates
than those
with employees
who receive no
feedback.9

Our recommendation

ELMO Performance Management improves employee productivity and engagement by facilitating continuous feedback. It enables employers to align individual and team goals with organisational strategies and streamlines the employee appraisal process by offering a range of pre-built goals and development objectives. It enables 360° reviews that assist in the development of holistic and balanced performance appraisals.

9. "The secret of higher performance", Gallup, 2018

6. Increased learning and development opportunities

Learning management automation brings a host of time-saving benefits for HR departments. In a world where hybrid workplaces are the norm, many employers are blending instructor-led training (ILT) with eLearning. Research points towards greater adoption of eLearning: according to LinkedIn,¹⁰ 57% of talent developers plan to spend more on their online learning programs and 38% expect to spend less on ILT. With the potential for so much learning to be offered through various delivery modes, a learning management system (LMS) can help managers keep track of everything, and can be integrated with performance management and succession management technology to create personalised learning plans.

eLearning also has employee engagement benefits. Due to the asynchronous nature of eLearning and being able to access it anywhere, anytime, this mode of delivery is often an employee preference – driven also by the desire for point-of-need, personalised L&D opportunities that help fill their skills gaps and advance their career goals. Meanwhile, video learning is known to be a powerful supplement to text, visual and interactive eLearning experiences, helping to improve learner engagement and retention of information.

Learning management process automation benefits:

- Streamlines learning management, saving time and costs
- Enables employees to upskill themselves in their own time, at their own pace
- Boosts employee engagement
- Enables easier tracking and coordination of learning organisation-wide

Our recommendation

ELMO's Develop suite of solutions aim to build workplace cultures where continuous learning is prioritised and HR's time is optimised. For example, ELMO Learning Management assists HR teams through serving as a central depository from which all learning initiatives in an organisation can be coordinated, helping both the employee and the employer keep tabs on all learning activities being undertaken. Employers can also offer access to 400+ online courses via ELMO Course Library and ELMO Video Library or they can create, customise and repurpose eLearning courses to meet business objectives with ELMO Course Builder.

10. LinkedIn Workplace Learning Report, 2020

7. Enhanced compliance

Many businesses may struggle to navigate the complexities of payroll. This is particularly true in Australia, which has some of the most complex employment and payroll laws in the world.

Interpreting an ever-changing regulatory landscape, along with government reporting requirements for tax and superannuation purposes are just a few critical areas that HR and businesses must be across, in addition to compliance with minimum wage rates, record-keeping obligations and the issuing of payslips.

But despite payroll complexity being a constant HR bugbear, keeping on top of compliance is imperative. Failing to do so is a risky and costly mistake with potentially far-reaching consequences.

Luckily, many payroll processes can be improved with technology. Ensuring accuracy and compliance through a centralised HR system that automatically calculates and accounts for the nuances and rates tied to industrial relations instruments and fair and accurate work shifts, government legislation, overtime, paid time off - and countless other employment entitlements helps organisations to pay their staff accurately.

Payroll automation also brings enhanced reporting capabilities, helping to improve the audit trail and simplifying reporting obligations related to tax and more.

In addition, the self-service functionality described earlier allows employees to update their own bank details and access payslips, easing the payrollassociated administrative burden for HR. Simplified reporting is also a key benefit offered through payroll automation - granting managers access to historical data with an extensive range of reporting tools.

Payroll process automation benefits:

- Enhanced compliance
- Efficient self-service
- Enhanced reporting capabilities
- Integration with rostering / time & attendance platforms

Of course, some degree of human oversight will also be required. Given the sensitive and nuanced nature of payroll, no one fully automates the end-to-end process without the appropriate checks, controls and balances to ensure accuracy and compliance. Even a minor data entry error can throw payroll out significantly, highlighting the need for a combination of the right people with the right qualifications using the right technology and reports to get the right results.

Our recommendation

ELMO Payroll allows organisations to consistently deliver secure, accurate and compliant payroll. Our software allows payroll professionals to seamlessly manage staff pay and ensure compliance with Single Touch Payroll (STP) in Australia, and other government regulations in both Australia and New Zealand.

8. Increased workforce visibility and data insights

For too long, HR professionals have relied on gut instinct to make decisions and develop future plans. Fortunately, thanks to advances in HR technology, it's possible to access and utilise data to make those same decisions and plans. Automating HR tasks means that increasing amounts of data are generated. It's time to turn that data into meaningful insights. Having those data-based insights will ensure HR's influence on business continues to grow.

Through a single source of truth that is both reliable and up-to-date, employers can instantly get a better view of their workforce to enable informed, faster decision-making. Not only are organisations able to get insights into their workforce's current state of play, but historical data can also be used to predict future workforce trends and create hypothetical future scenarios – thanks to predictive analytics capabilities.

Through enhanced data analytics, key decision-makers gain access to realtime workforce insights from a centralised source. Reporting time is reduced from days to hours and can be easily exported and consumed in an easy-toread format tailored to different audiences.

Benefits of data stored in an integrated HRIS:

- A single source of truth for all employee data
- Improved, real-time reporting capabilities with actionable insights
- Enables smarter decision making and the ability to identify business problems before they occur

Our recommendation

ELMO's entire suite of people, process and pay solutions provide comprehensive reporting tools. This functionality enables HR professionals to gain valuable at-a-glance insights into their workforce, identify risks and measure the effectiveness of their people-related processes. ELMO Predictive People Analytics takes this one step further by using historical data to forecast ahead. For example, it's now possible to identify employee flight risks – enabling HR to take proactive steps to retain those employees.

CHAPTER 5

How to choose the right HRIS for your business: 5 steps

Your business needs will be unique, but over the following pages we provide some handy tips that all business leaders can draw from to help you decide on the right HRIS.



Once you have determined the need for a HRIS, you should take the time to assess exactly what features your organisation requires. Remember: one size does not fit all.

However, determining your needs for any new business application is no easy task. This is especially true if you have little experience with this kind of system. Use the simple four-step process below, to help get the right mix of HRIS capabilities for your company.

Step 1: Cloud or on-premise?

HRIS are available as on-premise (installed on your servers) or hosted (in the cloud) applications. Which is best for your needs? The answer to this question will depend on the size of your organisation, the number of legacy applications you need to connect with and the structure of your workforce (are they on-site, remote, geographically dispersed, working across multiple time zones or over random business hours?).

For example, a large distributed organisation with a large number of remote employees will find a hosted solution much more cost effective and secure than an on-premise solution; however, a single site operation where most employees work on-site, and has a large number of legacy applications may benefit from an on-premise solution. Talk to your IT department or a number of solution providers before committing to a system.

Cloud vs. on-premise HR: Key questions to ask

When deciding on the type of HRIS, one key consideration is to decide whether a cloud-based or on-premise solution is best. Here are questions to consider.

✓ Are your HR practices as efficient as they could be?

Clunky, difficult-to-use HR interfaces will not cut it in an ever-evolving and increasingly remote digital landscape. Cloud-based HR technology has features such as self-service – where employees can update their personal details, manage leave requests, and access company information – which all help to reduce the administrative burden on managers and HR.

✓ Do you have flexible budget requirements?

The initial investment of on-premise software can be high, since it requires considerations around software, hardware, and servers. Cloud-based HR, on the other hand, is rented on a subscription service (SaaS), meaning that financial outlay is easier to forecast. Further, the cloud-based option is more scalable as organisations usually only need to pay for what they use when it comes to licenses.

✓ Is remote working a key priority for your organisation?

COVID-19 was a driving force behind the large-scale remote working trend, which shows no sign of abating. In fact, research by Gartner found that 82% of company leaders plan to allow employees to work remotely at least part of the time after the pandemic.¹¹ To ensure continuity, organisations must ensure they have the technological infrastructure to conduct business – and more specifically, HR – from any location, at any time. Having secure access to centralised employee data is something all organisations looking to work more flexibly will need to investigate.

✓ How well-resourced is your IT function?

Procuring cloud-based HR is much faster, since it doesn't require a huge amount of input from IT and procurement. Similarly, cloud-based systems don't rely on IT for maintenance and data processing.

11. "Survey reveals 82% of company leaders plan to allow employees to work remotely some of the time", Gartner 2020

Step 2: Determine your budget

There are a large range of HRIS available, with prices ranging from a few hundred dollars per month to tens of thousands, so you'll need to be realistic in selecting a system that matches your business needs in line with your budget. Depending on the nature of your organisation, you may also have to factor in implementation and system integration costs, which can take up a considerable amount of your available budget. This is because scripts may have to be written so that your chosen solution can communicate with any legacy business applications your organisation uses, and extensive testing will also have to be carried out to ensure everything works together as planned. Your chosen solutions provider can guide you on the most appropriate offering and help you anticipate costs associated with your implementation and systems integration if required.

Step 3: Do your research

At this stage, you probably already have a good idea already what HRIS features are available. Determine which features your company may need and break them down into 'must haves' and 'nice to haves' before carrying out your search for an HRIS provider. Be sure to bolster any online research by reaching out to industry peers or other reliable networks for invaluable first-hand feedback.

Key features to look for in a HRIS:

It's critical to use a platform that encourages all employees to get onboard through its ease-of-use. In addition to being user-friendly, the best HR solutions share the following features:

- Quick installation and roll-out of the system, so you're up and running in no time
- Effective integration with all of departments, as well as existing business software
- Multi-user access at the same time, from any device
- Remote access for those with permission
- The ability to customise content to your business needs

- An intuitive, user-friendly interface
- The highest security and privacy protection
- Local technical support and regular software updates from your provider
- Collaboration between users
- Real-time reports and automated data
- Self-service for employees
- On-demand applications

Step 4: Talk to vendors

Create a shortlist of solutions providers from your research phase (three is a good number) and do your due diligence on each. Armed with your list of features and available budget reach out to the selected vendors and probe them on any questions that you may have uncovered during your research phase. Keep your lines of communication with your shortlisted vendors open until you are ready to take the final step of vendor selection.

Step 5: Choose core functionality

Once you're clear on your requirements and have considered all the critical components, it's time to 'test-drive' the options. If you're comfortable with your initial conversations, arrange a demonstration of their solution to get a better assessment of how the software may suit the needs of your organisation. Invite key stakeholders and other decision-makers to do the same.

ELMO recommends that organisations initially invest in software solutions that address the below HR and payroll functions, because once automated, they will deliver the most impact on your business's productivity, efficiency, and bottom line.

Critical HR and payroll functions:

- HR Core
- Recruitment
- Onboarding
- Performance
- Learning
- Succession
- Payroll

However, for a holistic approach to HR and payroll automation, ELMO recommends taking a 'hire to retire' approach and automate all five key touchpoints that an employee will have with their employer: Pay, Engage, Hire, Retain and Develop. In the next chapter, we will explore ELMO's full product suite.

CHAPTER 6

ELMO solutions: Which modules could you benefit from?

ELMO Software has solutions for all organisations, regardless of size. Over the following pages we provide insights into how ELMO's end-to-end solutions can help address people, process and pay challenges.



Below is an outline of the key functions of ELMO's integrated system.

PAYROLL



- Employee and manager self-service: Ability to update personal bank account, superannuation, income tax details, access payslips and manage leave
- Single Touch Payroll (STP) and SuperStream compliant in Australia; PayDay and KiwiSaver compliant in New Zealand
- Ability to make easy employee payments with standard bank files
- Tailored reporting with ability to generate audit, variance, tax, compliance and other reports to spot trends or anomalies
- Ability to export accounting journals
- Ability to manage employees across one or multiple payroll cycles with flexibility to run standard or ad-hoc payroll, any time

ROSTERING / TIME & ATTENDANCE



- Create weekly, fortnightly or monthly staff rosters
- View accurate labour costs
- Proactively manage staff with shift trading, leave and unavailability requests
- Utilise an automated time tracking solution with real-time reporting
- Rules-based Award / Enterprise Bargaining Agreement (EBA) / collective agreement interpretation to calculate accurate pay

EXPENSES



- Streamline expense management processes for both admins and employees
- Build specific company expense policies to provide automated compliance
- Manage expenses on-the-go: Users can easily create a claim via the mobile app, and admins can review, approve, reject and track expense reports via desktop or mobile
- Intelligent Receipt Matching means receipts are automatically paired to their corresponding card transaction(s)
- Integration with accounting systems for seamless control of company budget and expenditure

A helping hand

Before making a decision about HR technology, it's critical to understand your requirements and needs as an organisation. For help, use ELMO's Solution
Configurator.

HR CORE



- Centralise people management data and provide self-service tools for employees and managers to review and update their own personal data
- Ability to view org charts, including roles, reporting lines and profile details
- Request and check leave balance
- Plan and forecast future leave
- Check payslips and payment summaries
- Access employee information and utilise team analytics and dashboards

SURVEY



- Assess how engaged and motivated your employees are and obtain actionable insight into your employees' attitudes and opinions towards their work and work environment
- Easily compare results by key demographics such as age, gender, location, division, tenure, and share results with key stakeholders
- Utilise templates from the Survey Library, including benchmark questions for Exit, Onboard and Engagement surveys
- Create summaries and graphs to track trends and ultimately enable informed decision-making
- Incorporate feedback points throughout your HR processes and provide confidence and reassurance through the anonymity feature when working on sensitive HR topics such as diversity and culture

CONNECT



- Use the chat functionality to spark one-on-one or multi-user online conversations
- Create group channels to issue company-wide / departmental communications, and rally teams around a shared project or initiative
- Collaborate in real-time and send attachments to colleagues
- Start one or more Zoom meetings from within ELMO's platform

EXPERIENCES



- Provide customised support for employees during key moments of their journey, such as onboarding, office relocations, return from extended leave, and more
- Save time and resources by using event-based triggers to automate processes and alert managers and employees of the steps to be undertaken
- Avoid information overload by breaking up experiences into smaller, easierto-digest pieces, and spreading these out at designated times
- Provide managers with templates and workflows to help employees navigate key career transitions such as onboarding and internal moves
- Allow employees to progress with assigned tasks and receive information 'on-the-go' with a mobile-friendly employee portal

COVIDSECURE



- Enable employees to easily submit vaccination certificates and COVID-19 test results
- Access a library of COVID-19 HR policy templates which can be easily deployed to your employees
- Use the dashboard with real-time visualisations of key metrics to encourage proactive risk mitigation

ONBOARDING



- Configurable workflows and approval processes, with ability to assign tasks to stakeholders
- New employee onboarding checklist
- Personalised onboarding portal for new hires including customised content, welcome videos and other content, team member introductions
- eLearning course allocations
- New employee onboarding status updates to managers tracked in real-time with the ability to send reminders to key stakeholders
- Configurable electronic forms, document upload facility and integration with ELMO Payroll and other third-party payroll systems

RECRUITMENT

- End-to-end automated recruitment process from job requisition to job acceptance
- Ability to post to external job boards and internal career portals, pre-set posting rules, and track costs
- Create a careers webpage, customisable with corporate branding
- Ability to create talent pools by integration with external job boards and social media
- Ability to match job criteria to candidates, and rank candidates
- Streamlined requisition workflows and authorisations, configurable to your organisation
- Offer approval and contract generation processes
- Email and/or SMS notifications
- Interview scheduling and guide

PERFORMANCE MANAGEMENT



- Tailored performance appraisals with access to pre-built goals, development objectives and a behavioural competency library
- Ability to obtain a holistic view of performance with 360° reviews
- Manager team view with access to appraisal status and ability to collaborate with export and print functions
- Ability to incorporate appraisal cycle periods and implement more effective stakeholder management with automated signoffs and approvals

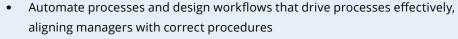


REWARDS & RECOGNITION



- Introduce peer-to-peer recognition programs and acknowledge significant achievements or celebrations
- Enable employees to recognise peers with recommendations, 'likes' and configurable badges and trophies
- Recognise an employee's work anniversary or birthday, acknowledge course completion, or reward employees who achieve a pre-determined number of points
- Automate employee awards such as Employee of the Month with configured workflows, which allow for employees to be nominated for an award, voting periods to be opened, and awards to be allocate

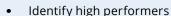
REMUNERATION



- Manage complex remuneration structures including discretionary or complex long-term incentive (LTI) or short-term incentive (STI) plans
- Create rules-based automated letter production for distribution and electronic filing
- Create rules-based controls on spend
- Utilise business rules to guide managers' adherence to organisational policy
- Benefit from real-time standard and customised reporting for all roles
- Provide approval and moderation controls for managers and employees with real-time budget impact reporting
- Show flexible organisation hierarchy and matrix-based reporting lines

SUCCESSION MANAGEMENT





- Identify flight risks
- Match employees to critical roles
- Compare candidate suitability by skills, performance, potential and aspirations
- Empower employees to view succession pathways, investigate desired career paths, identify skills gaps
- Create development plans





LEARNING MANAGEMENT



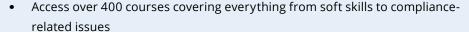
- Coordinate personalised learning plans, eLearning courses and instructorled training (ILT)
- Generate policy acknowledgements, assessments and surveys
- Empower employees to track their own progress
- Provide self-directed learning with access to eLearning courses
- Utilise configurable enrolment rules
- Design and assign continual professional development (CPD) plans
- Generate direct and indirect reports, keep track of employee learning needs, course completion rates and compliance requirements

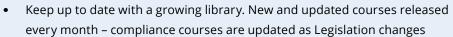
COURSE BUILDER

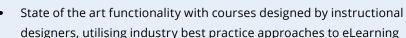


- Create bespoke online learning content, which can be branded with your organisation's colours, logos, images and videos
- No coding experience required use a range of page templates to create interactive online courses after one quick training session
- Use in conjunction with Learning Management to easily publish course content and roll out courses
- Update content in real-time
- Preview end-user view prior to publishing
- Utilise a range of assessment questions to challenge and engage the learner

COURSE LIBRARY









- Quick and easy publishing with detailed response tracking for reporting
- Touch screen functionality
- Course assessments to ensure learning comprehension, including multiple question types, a variety of question styles and automatic marking



VIDEO LIBRARY



- Access an extensive library of pre-built, SCORM-compliant video eLearning courses; or customise content using hundreds of individual video chapters
- Create customised eLearning using rich video content in addition to existing interactive features to deliver relevant contextualised training (when combined with ELMO's Course Builder)
- Test trainee comprehension and analyse results for individuals or groups
- Provide a documented and verifiable trail of evidence to assist with compliance

PREDICTIVE PEOPLE ANALYTICS



- Obtain employee flight risk insights and identify potential regrettable loss with ELMO's artificial intelligence and machine learning technology
- Extract and process data from various ELMO systems to create easily understandable graphs and charts
- Use multiple configurable dashboards at a central location to view HR and predictive metrics from across the employee lifecycle

Key take-aways

As the economic outlook improves – together with many aspects of working life – now is the time to "get your house in order" and assess which processes could be tightened up.

Making a strategic investment in HR technology will drive significant efficiencies that free up time to help you concentrate on what matters most: your people. Doing this will help your organisation to thrive.

Through at-a-glance visibility of your workforce and insights into the effectiveness of your people processes, you can better read the pulse of your workforce, assess the effectiveness of your HR practices and make smarter, more informed decisions.

HR automation enables:

- Streamlined and consistent HR processes that save time
- Cost reductions
- Increased workforce visibility and actionable data insights
- Enhanced compliance
- A superior employee experience
- Smarter decision making and the ability to identify business problems before they occur
- The ability to predict future workforce trends

Looking to build a business case for investing in HR technology but unsure where to begin? ELMO has you covered. A compelling business case can improve your chances of securing senior level buy-in, budget and commitment for your ELMO Software investment. ELMO's comprehensive, pre-populated <u>business case</u> template, used in conjunction with our interactive <u>ROI calculators</u>, will support you in building a powerful line of reasoning for your organisation to invest in ELMO solutions.

How ELMO can help?

ELMO Software (ASX:ELO) is a cloud-based solution that helps thousands of organisations across Australia, New Zealand and the United Kingdom to effectively manage their people, process and pay. ELMO solutions span the entire employee lifecycle from 'hire to retire'. They can be used together or stand-alone, and are configurable according to an organisation's unique processes and workflows. Automate and streamline your operations to reduce costs, increase efficiency and bolster productivity.

For further information:

Contact us

