

THE EXPANSION OF HR CAPABILITIES THROUGH TECHNOLOGY



The Expansion of HR Capabilities Through Technology

The expansion of HR capabilities can help HR professionals with a diverse range of organization initiatives to help address issues with employee retention and reskilling the current workforce to increase organization flexibility. Key areas can be addressed by HR, like improving the employee experience, bridging labor gaps with reskilling existing employees and targeted hiring of contract employees, and allowing HR to help shape strategic initiatives within the organization. This eBook looks at areas where HR professionals can expand their influence and involvement within an organization and the new technologies available.

INTRODUCTION

The 2023 Workplace Learning Report from LinkedIn found that employee retention was the main concern of organizations with 93% reporting it as a major concern¹. The LinkedIn report also identified that employee skillsets have changed by 25% since 2015 and that this trend is likely to continue at a rapid pace by 2027.² The Korn Ferry 2022 Future of Work Trends report found that by 2025, reskilling will apply to 50% of all employees.³ It is essential for HR to lead strategic direction when it comes to employee hiring, retention, and training as LinkedIn found that 82% of organization leaders believe that HR's role is more critical than at any point in the past.⁴ This presents several opportunities for HR professionals to lead by expanding HR capabilities to include a greater emphasis on learning and development and employee satisfaction, two of the top factors in retaining employees. Josh Bersin notes that the use of AI for HR professionals in 2023 will become essential for evaluating sourcing, internal talent matching and intelligent succession management.⁵ These will allow companies to manage talent more efficiently by connecting employees, identifying possible mentors within the organization and streamline developmental projects, assignments and opportunities for eligible internal candidates.



EXPANSION OF HR CAPABILITIES

1 *Expanding the Employee Experience Through Technology*

Research from Deloitte notes that HR technology can be put to work for workers and improve the employee experience with 90% of business leaders believing that it is essential to use technology to improve work outcomes while only 22% of business leaders felt their organizations were ready to use technology to improve outcomes and performance.⁶ Research from Glassdoor found an 82% increase in retention and a 70% increase in productivity as the result of a strong onboarding process.⁷ While research conducted by Oxford Economics found that the time to productivity, where an employee is a fully contributing member in a company is an essential metric to track with the average employee taking 28 weeks to reach their optimum productivity level.⁸ They also found that the onboarding process was impacted by where the new hire came from with employees within the same industry reaching optimum productivity level much more quickly than those from different industries (32 weeks) or who were previously unemployed (52 weeks).⁹

Identifying candidates who are an ideal fit with existing teams is an advantage that AI provides to make the onboarding process more efficient. Targeting candidates who are likely to accept positions, complement existing team members and fit the profile of an employee who will remain with the company long term allow for optimum productivity to be reached more quickly and with less chance of future workforce gaps or disruption.

2 *Improving Teamwork and Helping Teams Stay Connected*

Deloitte also notes the importance of connecting employees and building a sense of teamwork through technology and how that allows employees to spend more time focusing on creativity, ideation, and innovation.¹⁰





3 Gamification Benefits

Gamification offers many benefits for companies that can be adopted by HR professionals to improve brand awareness, increase engagement with potential employees and showcase creativity and innovation that may otherwise not be apparent to the public. One example noted by HR Forecast is the Pizza Mogul Game that Domino's Pizza launched where participants developed their own original pizza recipes that were then offered for sale. Domino's offered cash rewards for top selling pizzas and hired the participants who designed the pizzas with the most sales.¹¹ Other benefits noted by HR Forecast include:

- ▶ Identifying highly driven potential employees through the use of competition. Seeing which individuals are self-motivated, can take initiative and demonstrate creativity through challenges and workplace simulations.
- ▶ Online quizzes and trivia that showcase candidates' knowledge of the industry, company, brand awareness prior to them receiving a formal interview or job offer.
- ▶ Points systems that reward internal employees for referrals, additional points for referrals that lead to candidates who pass the initial screening stages. Points are redeemed by employees for prizes.¹²
- ▶ The use of leaderboards – Deloitte reported a 50% reduction in certification time for internal employee training by offering leaderboards with badge rewards for the number of internal training courses that were both started and completed.¹³

4 *Eliminating Barriers and Setting Workplace Standards*

According to Deloitte's 2023 Insights, several other advantages of technology can be leveraged by HR professionals including:

- ▶ Nudging employees into correct or improved behaviors at work. Deloitte's found that 42% of business leaders believe that nudging employees towards correct workplace behaviors with suggestions and recommendations will improve team performance.¹⁴
- ▶ Eliminating barriers in the workplace for neurodivergent employees by creating guides for employees and groups to maximize individual and team performance for all individuals.
- ▶ Focusing your HR technology on human and team performance rather than simply focusing on organizational performance.

5 *Hybrid Work Technologies*

Research from JLL Technologies found that 55% of office employees now engage in some form of hybrid work but that only 47% of companies used technology to address the hybrid work environment.¹⁵ Korn Ferry also notes that 32% of employees indicated a preference for remote work and didn't think they would pursue in person work in the future.¹⁶ Gartner's Future of Work Report also notes that 16% of companies use technology to track employees by email or chat and computer use.¹⁷ Several opportunities exist for HR tech to be applied to hybrid work including core HR tasks like employee self-service availability for employee related information like scheduling, benefits and time and attendance, and hybrid work tools including:



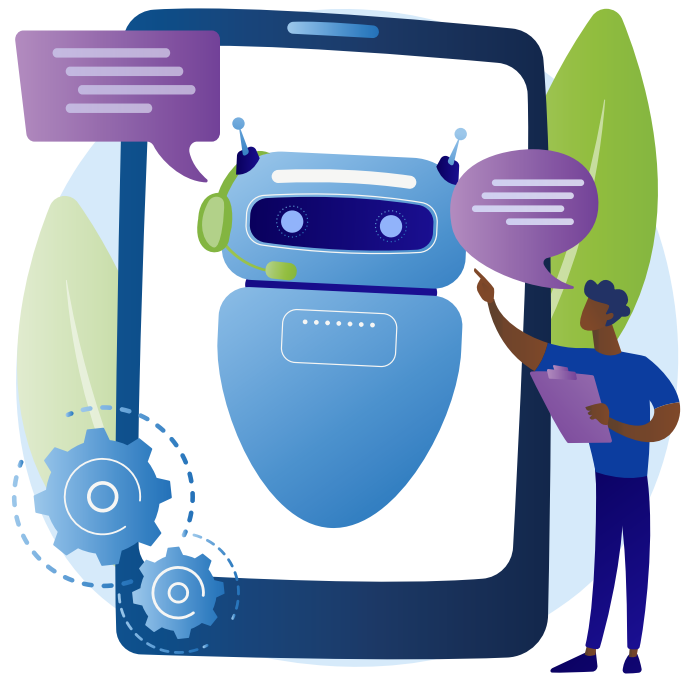
- ▶ A virtual onboarding system that combines all department onboarding materials in a single location.

- ▶ Wellness software and apps that allow remote workers to address mental health issues, create a healthy work-life balance, and overall employee wellness.
- ▶ Remote learning modules to introduce new skills to employees with registration and content that can be accessed remotely for hybrid employees.¹⁸

Providing employees and managers with access to their own HR, benefits and payroll information gives them the freedom to easily review and modify their personal data. They can do it on their own time from their mobile device, at the office or at home, without having to wait for the HR team to get the information to them or make a change. Data can be easily configured to require approval, providing secured, monitored data updates. Of course, this takes a load off the HR and payroll departments, but it also empowers the employees.

AI FOR HR

Research from Stanford University's 2023 AI Index Report found that global AI investment has increased by 27% in 2023 with an emphasis on applying AI to business.¹⁹ The 2023 PWC CEO survey found that 60% of CEO's believe that transformation is essential for current businesses with 40% believing that organizational models of today won't exist 10 years from now.²⁰ Companies have options on how they apply that transformation with AI and how they invest in AI for HR. Some may benefit from adopting an AI-centric approach where the AI is responsible for everything from recruiting to generating company HR content with a radical redesign of user interfaces and employee experience. Other companies may benefit from taking a more moderate approach to AI use and blending with existing systems to add AI features but maintain familiar systems for HR professionals and employees to interact and engage with.



Bersin also notes the value of adopting AI for HR professionals by practicing systemic HR that involves the following benefits:

- ▶ Provides an understanding of the role skills, culture and diversity play in the workplace.
- ▶ Provides an understanding of the role internal mobility, job design and productivity play in the workplace.²¹

Bersin notes the impact and opportunity provided by conversational AI for HR professionals as companies like McDonald's have utilized chatbots to oversee the hiring process from marketing positions, screening potential candidates and hiring employees successfully.²² The use of conversational AI can also be applied beyond the recruiting process as it can also be an asset to case management and HR service delivery as employees can engage with chatbots for frequently asked questions, and as the starting point for employees with common issues that have clear and easily identifiable solutions. This will allow HR professionals the time to focus on higher level problems within the organization that require more sophisticated responses and are more time intensive.

COMPETENCIES AND SKILLS

Learning and Development

The 2023 Workplace Learning Report from LinkedIn found that companies had a focus on becoming more people-centric with 83% of companies noting that it was a priority and a further 81% of companies identifying learning and development departments as a key leader in achieving this.²³ They also note that 44% of learning and development departments work closely with chief HR officers and that this trend is also on the rise.²⁴ A Korn Ferry survey notes that 37% of HR professionals identified upskilling as the number one way to address labor shortages.²⁵

Employee Training

The biggest factor in employee retention for 2023 according to a LinkedIn report is by providing employees with internal learning opportunities and that employees who leave an organization cite lack of internal development opportunities as a top 5 reason.²⁶ Here are some areas where HR can lead when it comes to employee training:

- ▶ HR's role in establishing the process for internal hiring sets it as a priority for the company

and identifies ways to expand the internal hiring pool with specific areas for learning and development.

- ▶ Learning and development's role in meeting HR's demand for internal candidates should create pathways and resources for internal positions that are in high demand or for those that struggle with employee retention. Learning and development team members note they now spend 47% more time working with HR professionals on talent acquisition.²⁷

GAMIFICATION FOR ONBOARDING

Advantages to adopting gamification for onboarding include making the HR experience fun for new employees. A survey from TalentMLS found an 83% increase in motivation for employees who were trained with gamification.²⁸ Encouraging employees to learn skills through short games allows them to learn at their own pace, earn rewards and complete tasks that are essential to their training. Moderately challenging games can also improve new employee confidence with completed challenges and provides a pressure-free environment. Walmart reported that 96% of employees who were trained on company safety policies with a short computer game successfully learned the required information and benefited from the instant feedback the game provided.²⁹ Research from SHRM also found that 89% of employees who trained with gamification felt like they were more productive and 88% said that it increased their level of happiness at work compared to only 61% of employees who did not receive gamification training.³⁰

Key aspects to be aware of when instituting gamification in the workplace include making sure that games are regularly modified in order to appeal to as many employees as possible. SHRM found that games that only featured a leaderboard with a top 10 ranking lead to demotivation for other employees who weren't in the top ten rather than increasing their desire to complete.³¹ Identifying games that offer different goals and targets, that rotate between individual and team tasks, that feature a variety of rewards and that targets both new hires and longtime employees will be effective in strengthening morale and motivating the largest number of employees. There should also be a balance between personal individual employee growth and an emphasis on productivity as a sole focus on productivity and create a more stressful environment rather than one that is fun.





VIDEO INTERVIEWING

Research from Bersin by Deloitte in 2023 found that non-resume qualities were the most important to 90% of high performing companies when it came to candidate selection.³² Key skills that are non-resume based that were identified include:

- ▶ Personal communication skills
- ▶ Creative problem solving skills
- ▶ Learning agility or the willingness of a candidate to learn on the job³³

Video interviewing is a great way to assess these types of skills by offering candidates live tests that are recorded, or simulations of tasks that would be required at the job as part of video interviews. Candidate traits can be assessed during these video interviews that help reduce or eliminate bias in the interview process that traditionally comes from relying on education, GPA or previous job history. A company like Hilton has conducted over 5 million video interviews and one benefit to this practice has been an increase of 16% in the diversity of hired candidates.³⁴

DATA DRIVEN RECRUITING

Expanding the use of analytics in recruiting is another area where HR professionals can increase their influence within the organization and help with specific initiatives to target potential employees and maximize the hiring budget. Here are a few keyways that data driven recruiting can expand HR capabilities:

Sourcing

Track the source of external applicants to drive decision making when posting new positions. Tie spending to the success of each source of potential applicants (social media, job boards, agencies) and pursue the most effective cost per hire sources when posting new available positions. Also, track low quality candidates to determine if certain sources are responsible for most of these candidates and remove your postings from these sources.

Speeding Up Your Hiring Process

Eliminate bottlenecks in the hiring process by using analytics to identify areas for improvement including time spent on sourcing, interviewing candidates, and identifying areas where applicants frequently drop out of the hiring process. Research conducted by the Academy to Innovate HR, they note the top 3 useful metrics for data-driven recruiting as time to fill, time to hire and source of hire.³⁵ Identifying the speed that an HR department operates at and the length of time to fill an open position allows a company to evaluate how efficiently an HR department is operating and also identifies a realistic timeframe for filling vacant position, replacing departing employees and how long any gaps in the workforce may need to be covered by existing employees.

Recruiter performance metrics also help increase efficiency in the recruiting process. AHIR note the following metrics that help measure the efficiency of your recruiters:

- ▶ Email open rate to help identify which emails candidates most frequently reply to and which emails are less impactful or do not drive candidate engagement
- ▶ Email response rate to help identify which emails lead to responses from potential candidates and include questions, points for clarification and general interest in the hiring process
- ▶ Interview conversion rate that identifies how many emails lead to candidates being interviewed for open positions³⁶

Forecasting Hiring Needs to Help Bridge Labor Gaps

Use analytics to project organizational needs by tracking turnover, internal mobility, and company expansion. Allocate budgets based on these data driven points to ensure the ability

to quickly fill vacant positions and have protocols in place for new hires.

Using Recruiting, users can create and track open positions and jobs and maintain information such as job title, type (new or replacement, etc.), requirements, descriptions, and expenses incurred while filling the position. User dashboards help comb through the volumes of applicants in your pool and highlight relevant candidates by matching job requirements with the applicant data collected.



CONCLUSION

The expansion of HR capabilities is essential for the future and should be leveraged to bridge labor gaps, improve employee retention, and help plan strategic initiatives for the hiring process. Expanding opportunities in learning and development through gamification, focusing on team building and connection, and taking advantage of digital spaces with hybrid work options and data driven decision making using AI are areas where HR can help shape their organizations.

Having the right HCM software solution in place is critical to ensuring that your organization is moving forward and leveraging the appropriate tools for your workforce. Is it time for you to expand your HR capabilities through a better HCM solution? PDS has been providing our customers with the appropriate solutions for close to 50 years. Our experience in listening and delivering speaks volumes. [Click here to learn more about the robust solutions that we offer.](#)

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