HR Technology Tools: Less Time on Paper and More on People

By Tom Tillman

Many human resource managers face a dilemma. They would like to spend more time improving the overall work environment for employees. They want to help their executives save on workforce-related expenses, find and hire better talent, and improve existing talent through training and development.

Unfortunately, most days, HR managers are stuck doing paperwork. In fact, according to a Forrester Research report, on average, more than 50% of a human resource department's time is spent processing employee information and answering questions.

Most HR managers face several challenges.

- **Succeeding with limited HR resources.** Most schools have limited staff and resources. One person, or a very small team, may be solely responsible for benefits administration, payroll, routine HR administration, and more. HR managers need better tools to track important employee information and to automate HR and benefits transactions so they can devote more time to their most important duties.

- **Managing compliance and risk of litigation.** It is difficult to stay on top of the myriad state and federal workforce laws, regulations, and reporting requirements. HR managers need to communicate with and train managers and employees so schools are not at risk of expensive employee lawsuits.

- **Ensuring accurate, timely payroll.** Late or inaccurate paychecks can cost schools money, hurt employee morale, and undermine a district's credibility. Federal, state, and local payroll taxes are complex, and missing the filing and payment deadlines can result in fines, late fees, and an increased chance of audits.

A 2005 survey by PricewaterhouseCoopers, published in the *Saratoga Review*, revealed that employee compensation, including benefits, accounts for 35% of operating expenses in a typical organization. With so many resources dedicated to maintaining the workforce, it is often necessary to identify ways to improve results, increase efficiency, and lower costs. A human resource management system can help schools find and capitalize on such opportunities.

The Role of HRMS Technology

A human resource management system (HRMS) provides an integrated software solution for automating and managing an organization's core workforce administration, including employee job and personal information; government compliance; employee benefits; attendance; payroll; recruitment; employee development, compensation, and retention; and planning, analysis, and reporting.

A well-planned HRMS can help an HR department accomplish the following:

- Reduce routine administration and paperwork;
- Drive down costs by automating core HR, benefits, and payroll processes for increased efficiency and productivity;
- Increase retention by providing a high level of service to employees;
- Easily create accurate, timely reporting and analysis; and
- Reduce the cost of compliance and the risks associated with increasingly complex and burdensome regulations, including the avoidance of fines, penalties, and costly litigation.

THE BENEFITS OF A HUMAN RESOURCE MANAGEMENT SYSTEM

An HRMS provides everything you need to be an effective HR manager. An HRMS provides standard processes that you can use for all your key HR activities. It also organizes important employee, benefits, payroll, attendance, training, and recruiting information in a single integrated software system, so you never need to hunt for key data.

With an HRMS, you can achieve more in less time. An HRMS saves you time on data entry, routine administration, and reporting. You will eliminate duplicate data entry as information flows across the system. These efficiency gains can help you deliver a higher level of service to your organization's employees.

Reducing routine HR administration achieves direct cost savings. An HRMS can help drive down costs by automating human resources, benefits, time and attendance, and payroll management, allowing you to identify areas of overspending, reduce errors, and improve productivity.

An HRMS can help your organization achieve compliance. Regular legislative updates, automated record keeping, and specialized reporting go a long way toward helping your organization stay compliant with government regulations.

Core HR Administration

Implementing an HRMS eliminates much of the routine paperwork associated with human resources by automating the most manual and time-consuming HR functions, such as payroll, new hire processing, benefits and compensation management, employee development, internal analysis, and government reporting.

Without an HRMS, most HR managers rely on paper to manage employee processes. Tom Ross, principal of the Medina, Ohio–based HR technology consultancy Thomas Ross Associates Inc., says, "It can be quite a struggle trying to track employee information through a combination of homegrown spreadsheets and office file cabinets."

Inner City Education Foundation Public Schools, a nonprofit charter school management organization serving communities in the South Los Angeles area, certainly found this to be true. The growing organization, which currently has 450 administrative employees, implemented an HRMS less than two years ago.

"Before, we had to keep information in multiple spreadsheets and paper files, but now we can go to one place for everything," says Kesia Irvine, HR manager for Inner City Education Foundation Public Schools. "Streamlining things saves time for our small, three-person department."

Without an HRMS, hiring information, payroll records, benefit plan elections, and training certifications for a single employee might be stored in four or more different locations. Information can become lost or outdated. Plus, HR managers must replicate each change to an employee's data across several files. It becomes tedious, if not impossible, to create timely reports and analysis.

"Not only does keeping all employee data in one place improve accuracy and save time, but it can also help HR departments adopt standardized processes to give an organization more structure," says Ross. "And, centralized HR data eliminates the need to duplicate data to use it for multiple tasks."

Standardize, Automate, Integrate

An HRMS standardizes many HR administrative processes, including adding a new hire; promoting, disciplining, transferring, or terminating an employee; tracking family and medical leave and leaves of absence; assigning or changing benefits; changing an employee's salary or grade; and reporting accidents and other safety issues. This automation allows HR managers to increase the amount of time they spend on employee relations, compliance analysis, or training. Plus, many HRMS products can be seamlessly integrated with financial and accounting systems to extend automation across multiple departments.

Elkins Mountain Schools is a residential treatment facility with more than 100 employees in the rural mountains of eastern West Virginia. About 18 months ago, it migrated from a nonintegrated system of various software products and Excel spreadsheets to a completely integrated human resource management and accounting system.

"The new system improves our efficiency and effectiveness," says Pam Channell, Elkins's administrative services director, who is in charge of human resources, information systems, and purchasing. "We are now able to do more with less staff, and reduce the data entry redundancies. Once we implement our new time clock system, which will also integrate with our HRMS and accounting software, we will see substantial time savings in the payroll calculating processes."

In addition, creating timely, comprehensive reports for management becomes easy with an HRMS. Several vendors offer products that include a number of predefined standard reports, as well as a custom report writer. Security features, such as audit trails, allow HR managers to control and monitor who has access to sensitive employee data and who has changed data in the system.

Ross adds: "As a school organization grows, so does its human resource automation needs. It is usually easy to expand an HRMS to include capabilities like employee self-service, benefits enrollment automation, and recruiting automation."

Tom Tillman is product marketing director for Sage North America's Employer Solutions business unit. www.sageabra.com.