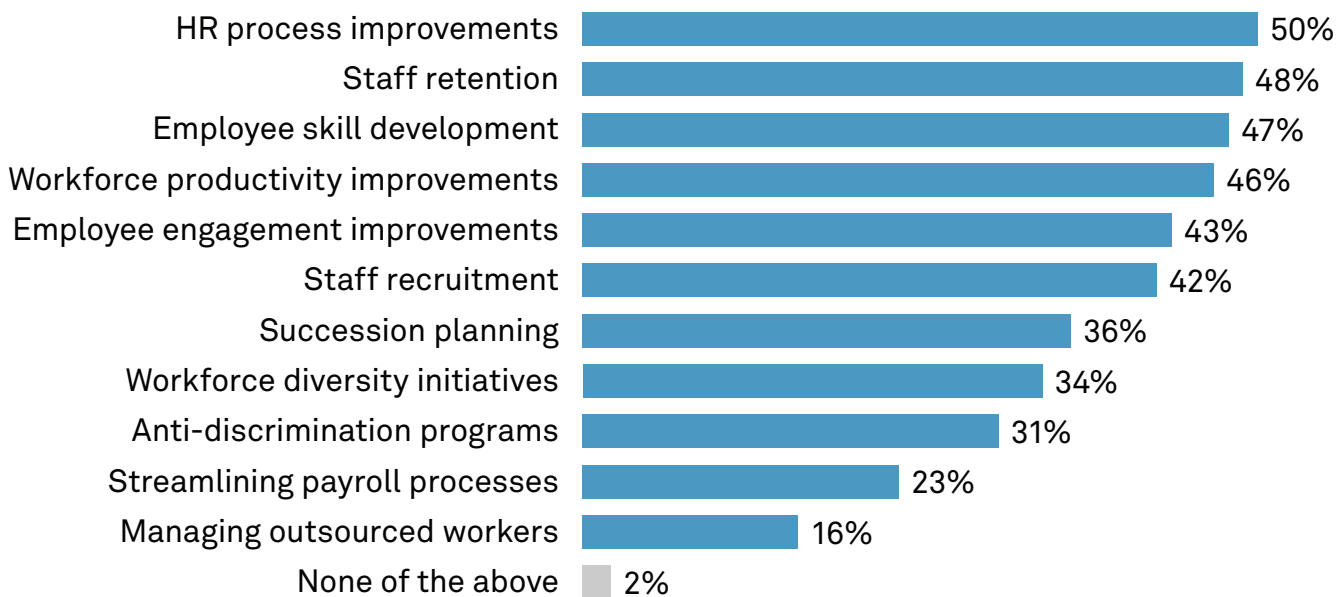# HR's Strategic Evolution Demands New Technology for Process Improvements

The 451 Take

The new 'business as usual' of hybrid and remote working that has been forced upon companies in the wake of the COVID-19 pandemic has been difficult for them, and it's playing out in parallel with rising social tensions and an increasingly turbulent labor market. This has created new challenges for organizational leaders to adequately support their people.

In 451 Research's Voice of the Enterprise: Workforce Productivity & Collaboration, Work Execution Goals & Challenges 2021 survey, we asked respondents what improvements their organization should prioritize over the next two years. Workforce productivity technologies (41%), employee development (37%) and employee recruitment and retention (34%) took the top three spots, beating out improvements in overall vision and strategy (28%). However, this isn't a zero-sum game. The rankings simply indicate that investments in the employee experience (EX) will play a key part in shaping organizational vision and strategy. Because HR departments are typically the core architects of EX initiatives, the business needs HR to quickly step up as a strategic leader to support these efforts.

Most Important Strategic Focus Areas for HR Departments in the Next Two Years

Focus Area	Percentage
HR process improvements	50%
Staff retention	48%
Employee skill development	47%
Workforce productivity improvements	46%
Employee engagement improvements	43%
Staff recruitment	42%
Succession planning	36%
Workforce diversity initiatives	34%
Anti-discrimination programs	31%
Streamlining payroll processes	23%
Managing outsourced workers	16%
None of the above	2%

Q: Over the next two years, which of the following will be the most important strategic focus for your organization's HR function? Please select all that apply.
Base: All HR respondents (n=95)
Source: 451 Research's Voice of the Enterprise: Workforce Productivity & Collaboration, Employee Lifecycle and HR 2021

In many ways, HR has already leveled up in its function to meet these needs. Recruitment has become the primary role of HR by a slight margin, and HR skill sets have evolved over the past few years to include deeper interest in workforce productivity and tooling (51%), increased need for data literacy (45%) and stronger participation in wider company strategy and vison (42%), according to 451 Research's Voice of the Enterprise: Workforce Productivity & Collaboration, Employee Lifecycle and HR 2021 survey.

With all of these changes, there is still room for improvement. As noted in the chart above, respondents who work in HR believe improving HR processes is the function's most important strategic focus for the next two years. Improved processes will increase day-to-day HR productivity. But more importantly, these processes determine how HR interfaces with employees in the broader organization and serve as a key touch point in how HR can define and optimize the employee experience. To achieve these improvements, HR needs deeper investment in process-optimizing technologies, which will support a modern EX. The resulting improvements will then free up HR professionals to become more strategic and tackle remaining organizational and HR priorities as businesses embrace the future of work.

Business Impact

Level up HR processes with new technology. Optimizing and digitizing core HR processes facilitates improvement in additional areas that depend on those HR functions. Modern processes can improve worker retention, recruitment and employee engagement, bolstering both HR's ability to be more productive and employees' sense of engagement with these processes.

Technological investments address the common denominators across HR's roles and core workflows. HR's top identified roles include recruitment, benefits and compensation delivery, and maintaining compliance, according to 451 Research data. These core areas all require the use of sensitive data, document-centric workflows, and collaboration among HR and non-HR employees. Strategic investments across these roles include document collaboration and workflows, document organization and data management, and e-signatures and online forms for employees interacting with HR processes across the employee lifecycle. All of this must be underpinned by the requisite compliance standards relative to a given industry.

Next-generation strategy includes workflow automation, analytics and intelligence. The greatest challenge HR encounters when carrying out its responsibilities is a lack of time for its most important tasks, according to 451 Research's Voice of the Enterprise: Workforce Productivity & Collaboration, Employee Lifecycle and HR 2021. After investing in the technological foundation to support HR's evolving role in the enterprise, the next logical step is to invest in workflow automation for the core processes. Automating document management and e-signatures across the recruitment process, for example, can improve the employee experience and eliminate data management and compliance issues associated with manual work.

Technological advances support a central HR software ecosystem. Technology investments must be able to meet HR employees where they are. By a factor of two, HR respondents prefer integrated suites over point products because they value the efficiency of working in a single platform and see the potential for better analytics. Make sure process technologies can integrate into the human capital management platform in use to support the unification of this ecosystem.

Looking Ahead

HR is clearly at a pivotal moment in the enterprise – the function is being called on to support strategic initiatives in talent recruitment, management and retention while battling outdated processes and structures that create friction in their everyday work. As HR departments look to level up their strategic value, the first step must be an investment in tactical technologies that support the digitization of the most common processes associated with HR work. These include digital document workflow management, e-signatures, data management and compliance.

Improvements to HR processes will enhance the experience of the employees and HR professionals who interact with those processes and will help deepen engagement. Beyond that, HR professionals will be freed up to think more strategically about critical issues facing the business and ways to increase HR's value as an operational partner. These technological investments also pave the way for better data collection and analysis, providing insight that can empower advances in people analytics and drive the evolution of HR's processes and its role in the organization.

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