

AI in HR Tech: A New Era in Human Resources Technology

The next generation of HR software is here, powered by artificial intelligence (AI). Now, your business can harness the transformative power of AI in HR tech.



Small and midsize businesses (SMBs) are no strangers to technology: according to the *2019 Top Technology Trends* survey by the software review company Capterra, 80 percent of U.S. small businesses use human resources (HR) software or plan to within the next two years. The meteoric rise of remote and hybrid work has accelerated business adoption of HR technology, including intelligent digital assistants designed to make work easier and self-service platforms that allow employees to access HR-related information, wherever and whenever they need it. These tools are smarter and faster than ever before, brimming with new capabilities made possible by generative artificial intelligence (GenAI).

HR technology use cases for small businesses include managing, streamlining, and improving payroll, benefits, recruitment, onboarding, training and development, company communication, and employee engagement. When it comes to embracing AI, specifically, Megg Withinton, vice president of enterprise analytics at Insperty, a leading provider of scalable HR solutions, finds that SMBs tend to reside on one of two ends of the spectrum: they are either all-in on AI, or they are waiting, watching, and slowly starting their experimentation.

No matter where your business falls on the continuum, deepening your understanding of the HR tech market—a market expected to reach

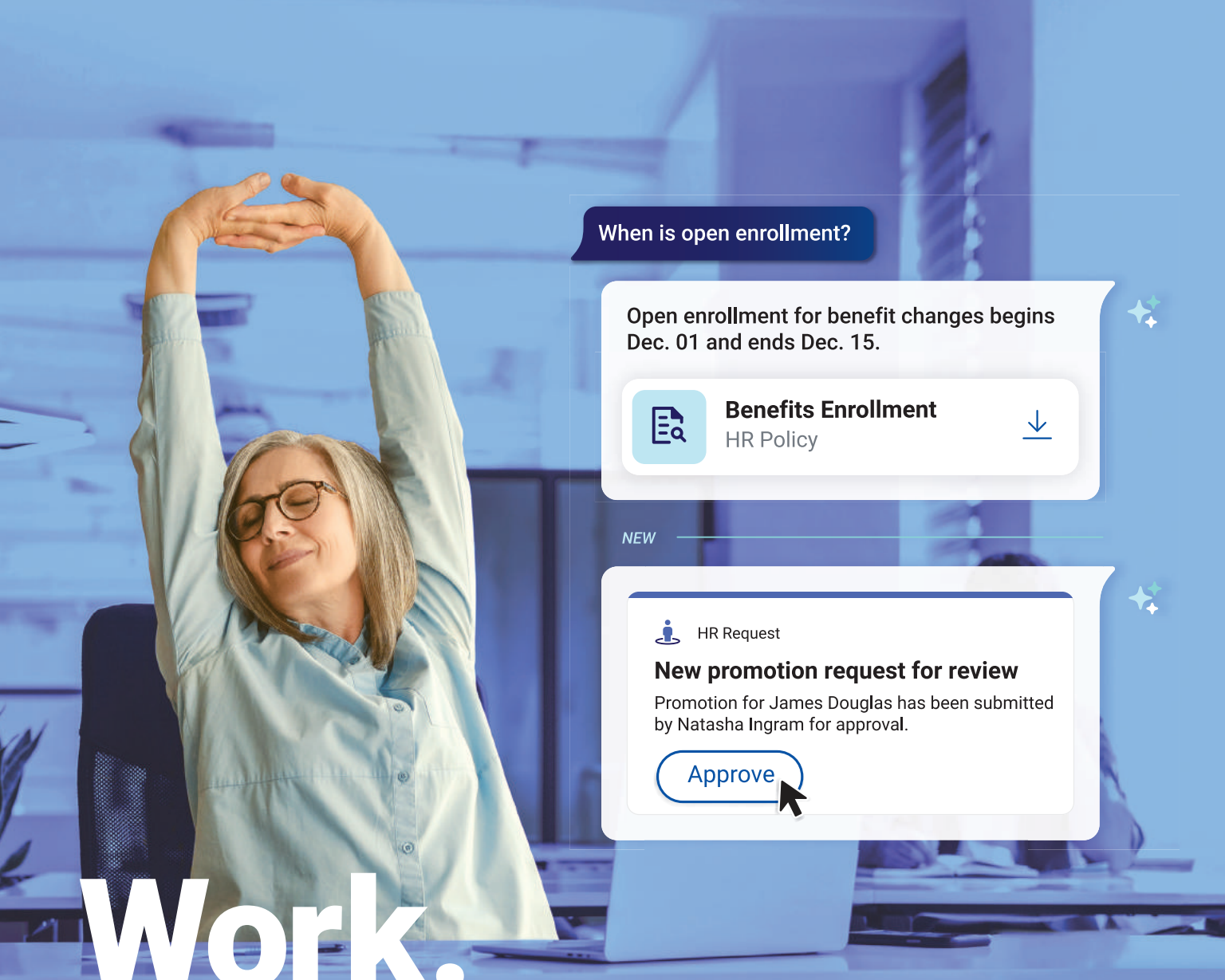
\$35 billion globally by 2028, according to Fortune Business Insights—will help you evaluate potential solution providers. Furthermore, understanding best practices for choosing and deploying the right HR software, including keeping the employee experience at the center of decision-making and never losing sight of the value of human connection, will help you get the most value possible from your technology investment.

Streamlining HR tasks

SMBs use HR technology to simplify and automate HR-related tasks for both HR practitioners and employees. Withinton and her team at Insperty have observed that SMBs mainly use AI-enabled HR technology across two areas: workflow management and insights. “There’s an enormous amount of administrative work that goes into managing HR. Using AI can help with both efficiency and accuracy,” she says. “The second piece is insights—being able to mine data. HR is a data-intensive function, and being able to leverage AI to ingest that data and serve up insights to the HR practitioner, or even employees, is incredibly valuable.” HR and employee data has near limitless use cases, from helping managers design optimal teams, to empowering employees to better manage their time.

Andrew Chimka, director of product at LinkedIn, notes that HR professionals at SMBs have “an incredible opportunity to use AI to take on some of the heavy lifting so that they can focus on growing their business.” He adds that the skills required to excel in an HR role continue to grow more complex. “This complexity is further exacerbated by the fact that at most SMBs, the HR roles are sometimes done by the SMB owners or internal business leaders themselves.”

Owners and business leaders are almost certainly juggling critical responsibilities, beyond HR, making the time-saving capabilities of HR tech even more important. “HR technology is automating administrative, transactional tasks—thereby removing the drudgery of work and simultaneously freeing people up to do what only humans can do,” says Marcus Mossberger, future of work strategist at Infor, a provider



When is open enrollment?


Open enrollment for benefit changes begins Dec. 01 and ends Dec. 15.



Benefits Enrollment
HR Policy



NEW

 HR Request

New promotion request for review

Promotion for James Douglas has been submitted by Natasha Ingram for approval.

Approve

Work. Smarter.

Conversational AI experiences that streamline processes, automate tasks, & guide employees to the right resources and information, wherever they work.



Your AI Copilot for Work

workgrid.com

of industry-specific business cloud software. Mossberger believes GenAI may be the most disruptive force to hit the HR tech market in decades. He notes that in addition to taking work off HR practitioners' plates, self-service tools afford employees direct access to HR information and provide them with two things they have always wanted: control and choice.

Enhance employee experience

One of AI's most effective benefits is its ability to improve the employee experience. Research finds that a positive employee experience contributes to a strong company culture and leads to increased employee productivity, engagement, and retention. According to Gallup's 10th employee engagement meta-analysis, highly engaged employees produce better business outcomes than less-engaged workers,

contributing to an increase in business profitability of 23 percent.

"AI-powered technology can help create personalized and engaging experiences throughout the employee journey—for example, in learning management, career and development, etc.—and any process at work, which adds up to the overall employee experience," explains Gillian McCann, co-founder and CTO of Workgrid Software, a company improving the employee experience through the use of conversational AI. Workgrid's AI-powered digital assistant, or copilot, offers a conversational AI interface to automate tasks and make information easier to find for employees. Copilots have a number of exciting applications for HR and other functions. For example, a business can use a copilot to nudge and encourage employees to perform a desired action, such as sending their colleague a message of appreciation.

An AI assistant can also help an HR team identify employees who haven't taken vacation in a while, and send automated reminders to take time off to prevent burnout.

Whatever the potential use case, SMBs should keep HR professionals' and employees' needs top of mind as they evaluate tools and processes. "Picture yourself as a new hire or an employee looking to advance their career. What is the experience like for each of those interactions? The goal for any process, whether it's onboarding or accessing benefits information, is to make the workflow simple and easy," McCann says.

Achieving this goal can be surprisingly challenging. Sixty-eight percent of employees face at least one challenge when it comes to using software, according to a 2020 survey by The Harris Poll on behalf of Yoh, an international talent and outsourcing company. McCann notes that digital friction—"the unnecessary effort which it takes to use technology at work"—can prevent employees from doing what they were hired to do. Companies can reduce friction by choosing solutions that are easy-to-use and integrated. "For instance, does the tool seamlessly integrate with your existing systems, enabling employees' instant access to vital information, leveraging the channels they already work in, (e.g., Microsoft Teams, SharePoint, etc.). Seamless integration with existing systems is also critical for obtaining value from the existing technology you have already deployed across your organization," McCann says.

Maximize HR tech investment return

Withinton reminds us that we are still in the early days of AI industry development. Business leaders should expect small players to continue to enter the market and conduct research to determine what makes an application unique and enduring. "It takes a lot of effort and training to adopt a specific platform. You want to make sure you're confident you have chosen a partner that is going to be there for the long haul. Over time, the market will likely level out. Some of the smaller pieces of technology



will be acquired by bigger companies or converge in the market," she says.

SMBs may find it valuable to enlist a partner to help navigate the HR tech market and stay on top of trends. Additional criteria for evaluating HR technology includes cost, customer support, scalability, time to value, and privacy and security. Before evaluating HR technology solutions, you may want to take a step back and consider your overarching AI strategy.


"There's a lot of conversation yet to be had about the role of AI and the appropriate use of AI when you're dealing with people, and HR is all about people," Withinton says. "The right thing to do is to be really thoughtful about what it is you're trying to accomplish and what you expect AI to bring to the table. Then always make sure you're layering on your own human judgment on top of whatever the AI is giving you. No matter how you want to use AI, you're going to have to have the right resource manage it for your organization, and not just from a tech perspective, but from the perspective of making sure that it's operationalized in a way that's consistent with the way you want to run your business."

Add AI to the team

McCann suggests thinking about HR technology as a "digital team member" and considering how the new tool will fit in with your culture. "AI tools should understand the user, but also contribute positively to your company's unique operational dynamics by breaking down barriers," she says. "The ideal is about creating a connection across all the personas within your organizational structure, wherever they happen to work."

While keeping up with HR tech offerings can be challenging and time-consuming, the investment pays off if you choose the right HR tool for your business. SMBs that use intelligent HR software and tools can increase efficiency and therefore achieve cost-savings, improve decision making with data and insights, and enhance the employee experience—a benefit that cannot be understated, given people are the heart of every organization. ■

CREATED BY INC. STUDIO



Turn questions into confidence with the right HR partner

While uncertainty is inevitable, a solid people strategy can propel your business forward in changing times. Insperity's scalable HR service and technology can help you stay compliant and competitive at every stage of growth. Persevere and prevail with Insperity behind you.

**FULL-SERVICE HR
EMPLOYEE BENEFITS
HR TECHNOLOGY**

Learn more at insperity.com
or call **800.465.3800**.

 **Insperity**
HR that Makes a Difference®