



HR Tech Helps SMBs Bounce Back Faster

With unemployment at historic lows, competition for the best talent has never been hotter.

Businesses of all sizes are scrambling to find their footing in an environment radically changed by the Covid pandemic, the rapid growth of remote work, and other trends. The companies rebounding fastest are those committed to integrating key workforce issues into their overall business strategy, and the right HR technology is critical to doing that successfully.

With pockets deep enough to invest in the latest HR technology, large enterprises have a leg up in this area. Workforce activity at big companies is

up as much as 23 percent over pre-pandemic levels, according to a study by the HR Research Institute. However, small and midsize businesses (SMBs) continue to struggle, with 45 percent only partially automating critical HR, payroll, talent, and timekeeping processes.

"Money is the obvious and primary reason SMBs typically lag larger organizations when it comes to HR tech," says Ed Barry, national managing director of the HR technology practice at consulting firm Gallagher. That said, most HR tech solutions are available to any size employer, and there are

multiple ways for SMBs to access just the functionalities that best meet their needs and provide the greatest return on their investment.

Pushing tech boundaries

"Many SMBs are hesitant to invest in HR technology because they may have limited budgets compared to larger companies and think it's too expensive, or they may simply think it's unnecessary," says Mary Massad, senior vice president of traditional employment solutions at Insperity. "Due to the increasingly busy schedules of SMB owners and employees, they may not have the time to research pricing for HR tech or the many advantages it can offer, causing their businesses to fall into a 'this is how we've always done it' pattern, as opposed to pushing technology boundaries that larger companies are more likely to try."

Greg Vickrey, director of human capital management at technology research and advisory firm ISG, notes that effective HR technology solutions have become increasingly accessible and affordable for SMBs in recent years, helping them to streamline HR processes, enhance the employee experience, and make better data-driven decisions.

"Many HR technology providers offer a software-as-a-service (SaaS) pricing model, making it more affordable," Vickrey says. Many HR tech solutions can be integrated with other systems, such as accounting software or payroll systems, reducing the need for multiple systems and further reducing costs, he adds. "Some vendors also offer customizable solutions that can be tailored to meet the specific needs of SMBs, helping them get the most out of their investment."

Among the key areas where HR technology can have the greatest impact for SMBs are:

- *Recruitment and hiring.* By automating and streamlining recruitment and hiring processes, HR tech solutions can reduce time-to-hire, increase candidate diversity, and improve the candidate experience.
- *Performance management.* Automating these processes can provide real-time feedback and coaching for employees

and help managers make better data-driven decisions.

- *Training and development.* Tech-enabled gamified and personalized training leads to improved employee skills and knowledge, increased engagement, and higher employee retention rates.
- *Regulatory compliance.* Compliance accounts for up to 25 percent of the time SMBs spend on HR tasks, many of which can be automated.
- *Benefits administration.* HR tech solutions can reduce administrative burdens and provide employees with real-time access to benefits information, enrollment, and other self-service features.

Hiring is a pain point

HR technology's potential to improve recruitment and hiring is particularly important in a labor market that continues to experience very low levels of unemployment. "SMBs want candidates. That's the ultimate pain most businesses face," says Thad Price, CEO of Talroo, a job advertising platform. Data-driven automation can ensure SMBs are faster reaching the right candidates with aligned expectations, ultimately lowering costs and, in many cases, driving up quality, he says.

"SMBs can self-evaluate their HR needs by simply asking what tasks they spend the most time on," Massad suggests. "If they spend roughly the same amount of time on all HR tasks, an all-encompassing HR tech platform may help reduce the time spent accomplishing those tasks. However, if a large amount of time is spent on one or a few tasks, a customizable HR tech platform can help relieve the burden those tasks create. Insperity meets business owners where they are and offers HR solutions that work with a variety of budgets and needs."

With the HR software market projected to more than double to \$33 billion over the next five years, technology is "an inevitable part of HR's future," Massad points out. "It is in SMB owners' best interest to consider an HR tech platform that will help streamline their HR functions while unburdening HR staff and providing a better employee experience for all." ■

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