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HUMAN CAPITAL MANAGEMENT TECHNOLOGY – ASK THE EXPERTS

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Mariana Ancira | Account Executive, Parker, Smith & Feek

Joe Markland | CEO, ProHCM Holdings, LLC

For the last decade, improvements in technology have driven and transformed the development of industries worldwide. Human Resources is no exception - for example, open enrollment processes have been significantly affected by these advancements. But how should an employer begin to explore the options available to them and how will they know which is the right solution? And how should we define and quantify all the technology applicable to the greater HR scope?

At Parker, Smith & Feek, our clients increasingly ask us for assistance with technology solutions. When we have in-depth technology consulting requests, we offer the services of a partner firm like **ProHCM** to our clients. Joe Markland, the CEO at ProHCM, who has been recognized as a top thought leader in human capital management (HCM) technology by Employee Benefit Advisors Magazine, offered to answer a few of our clients' most common questions.

ANCIRA: At what company size does paying for Human Resources technology make sense, assuming it would be cost prohibitive for smaller firms?

MARKLAND: I consider an HCM technology solution as something that manages all the information around an employee, whether it be pay, time worked, benefits,

time off, important documents, licenses, etc. It is essentially an employee record. Many think these systems are only designed for larger organizations, but that is not the case. HR in companies with as few as 20 employees can get complex.

Another reason why smaller organizations may want to use an online HR technology solution is for their employees. An employee in a 20-person company has the same needs as one in a 150 or 1500-employee company. Employees want access to their pay stubs, benefits, and the ability to request a vacation day via the web or mobile app. To effectively compete for talent, smaller firms need to provide some of the services to their employees that larger companies do.

That being said, there are systems built for smaller organizations that are easy to deploy and maintain while remaining affordable. The advantage is that smaller firms are often much less complex than larger organizations, therefore, this process can be even more manageable for small companies.



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ANCIRA: What are the general technology options out there for employers and how can the available solutions integrate with a company's current infrastructure (e.g. payroll, HRIS, insurance carriers, etc.)?

MARKLAND: In my world, the idea of "integrating" is the problem. I have been consulting with employers for 15 years, and the number one obstacle to success is having multiple systems that don't work well together. This could include HR, payroll, time and attendance, benefits, recruiting, and more. I advise employers to try and do everything in one system. There are enough solutions out there to make this happen. You don't need multiple systems to handle an employee record.

From the employee's perspective, they don't want to have to go to one website to see their pay and another to enroll in benefits. With one system, they can also have just one app on their cell phone that houses all the information they need.

A good comparison of this issue is the current version of a mobile phone. Before the invention of the iPhone (January 2007), we were all running around with flip phones, iPods, and cameras. We also may have had a GPS in our cars. Today, we have all these functions in one device called a smartphone. The current HR systems are the smartphones of HR. There needs to be a very good business reason to justify having multiple systems.

So to answer your question, I think employers may need to replace their existing HR/payroll infrastructure to get current. In many cases, this can be done through a current vendor that has advanced their technology to include all HR functions. An employer's HR infrastructure should be purchased independently and viewed as something that can grow with one's organization without any restrictions.

ANCIRA: Are there any "gotchas" out there in the HCM technology world that employers should be aware of?

MARKLAND: There are plenty. I created a list of 56 obstacles to success. Some are more obvious than others. The number one obstacle is having systems that don't integrate as referenced in the previous question. When someone says we "integrate with so and so, and it is easy," politely ask them to leave.

Many often think of AI as tools such as the Amazon Echo or Google Home. These tools make it easier to use technology. My wife is a late adopter of technology, but when the Amazon Echo came out it was so easy even she immediately became a user. Access to information for employees via voice recognition will grow substantially in HR in the next few years. I have an Amazon Echo on my desk where I can ask Alexa what my deductible is, and it will answer me. This is not available to the public yet but I am somewhat of a tech geek that likes to test new things first.

Some say that Facebook and Amazon know us better than we know ourselves, because they have data on us that, when analyzed, paints a picture of who we are. In HR, data can start to paint pictures about employees or job candidates and result in better hiring practices or employee retention.

Many of the vendors are beginning to roll out analytics tools that will allow an employer to start analyzing their own data to make business decisions. Some vendors will also allow an employer to compare their data to other employers in similar industries or geographic areas. This information can be very valuable.

As technology continues to become more and more advanced, HR must adapt to keep up. HCM is just one strategy to help streamline HR processes and create efficiencies. An experienced employee benefits broker can help identify the need for implementing an appropriate HCM technology solution for your company, and strategize other potential cost-saving techniques.