HR Technology Assessment
for
"Company A"

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Executive Summary

This assessment is a reflection of the current human resources technology requirements at *Company A* based on an initial discussion with *Your Contact* on October 26th. The purpose of this document is to ensure that goals and requirements of *Company A* have been accurately captured and prioritized by SWK, allowing us to provide relevant demonstrations, pricing, and system/process recommendations.

Current State

- **ERP:** Sage 100 financials, manufacturing, and distribution.
- **Recruiting/Applicant Tracking:** No system currently in place. *Company A* is leveraging Indeed and Glass Door for most of their hiring. With low unemployment and a turnover rate that is higher than desired, it is often difficult for *Company A* to quickly fill openings, especially on the production side of their business. All requisition tracking, communication, candidate feedback, and hiring criteria are manually tracked and managed today.
- **Onboarding:** All onboarding documentation is paper based today. A need to provide further automation, validation, and accessibility of the onboarding documentation was identified by *Company A*. *Company A* is currently utilizing a solution for WOTC. Your Contact shared that most employees have an email address and that most employees access pay advices online today.
- **Benefit Management:** All benefit management is paper based today. When employee add/change benefit elections, carriers are manually updated with each change. Your contact shared this is currently a time-consuming process and which has caused challenges in the past due to data entry errors and coverage errors due to a lack of synchronization and validation between *Company A* and your benefit brokers data.
- **Time & Attendance:** A specific time & attendance solution was not identified, though it was shared that time off requests are manually submitted and tracked in Payroll. There was also a discussion around overtime, and the possibility of using a scheduling solution to help minimize the need for overtime (along with increasing retention and decreasing time to fill open requisitions). While we see opportunity to assist your organization in your area, we feel a deeper discussion with additional resources from *Company A* is needed to gain a complete understanding of your requirements and potential solutions.
- **Human Resources:** All employee data is managed via paper files and excel today. All compliance forms (OSHA, Affirmative Action, etc.) are manually created and submitted. There are currently 10 filing cabinets in your corporate office that house employee documents and much of this data is not accessible in the various locations where employees are working.

- **Performance Management:** Performance management is paper based and performance appraisals are populated by HR with demographic/wage information, sent to managers, and administered by management on or around employee anniversaries. Wage increases are provided based on a pre-determined scoring scale unless an exception is approved by upper management.
- **Payroll:** Sage 100 Payroll is utilized for payroll processing today.
- **Learning Management:** Training management is currently managed in "Bridge" and consists of introductory training to the organization, compliance training, and some job specific information with assessments. There is currently no link to "Bridge" and the HR Demographic data in Sage 100.
- **Employee Engagement:** Employee engagement surveys are not currently administered and to Your Contact's knowledge, have not been administered in the past.
- **Compensation Management:** No system is in place for compensation management today.
- **ACA Management:** ACA data is manually tracked, and 1095 forms are populated by HR/PR today.

Future State

Company A expressed a desire to explore and leverage technology that is available to support the management of employee data and organizational growth. The primary concern that was discussed with Your Contact is the employee retention and staffing, especially in the production roles.

- **Recruiting/Applicant Tracking:** SWK anticipates *Company A* will see a financial benefit in adopting a way to create, route for approval, and post requisitions given the number of new hires per year (50+), especially if further growth is expected and the current jobs climate continues. With a decentralized hiring process, this will increase corporate visibility and control into the hiring process, allowing HR to be more agile and strategic in helping to quickly identify the right talent for *Company A*. Currently, there is opportunity to improve the consistency, timeliness, and quality of communication between hiring managers, corporate, and applicants. A program is currently in place for WOTC, SWK advises that *Company A* either continue with the current provider or evaluate an interfaced solution should an onboarding solution be implemented as part of your HCM configuration.
  - **Priority – High**

- **Onboarding:** A desire to move *Company A*'s onboarding process to an electronic format was expressed. Given the volume of new hires and decentralized locations, SWK sees a significant opportunity for improvement in this process. Ensuring the appropriate access is provided and change management is appropriately addressed is a critical component of a successful rollout of an onboarding solution.
    - **Priority – Medium/High**

- **Benefit Management:** A desire to move to an electronic selection of benefits and electronic transmittance of benefit details to providers was expressed. This can significantly cut down on the administration associated with benefit management, increase the quality and accuracy of benefit data, and provide employees and their families electronic access to benefit and provider data.
    - **Priority – Medium**

- **Time & Attendance:** A solution is currently in place today, but there is a need to better understand how this solution is being used today, both on the payroll and operation side of *Company A*. Potential areas for improvement include automating time off requests/approvals, reducing overtime with advanced scheduling functionality, bi-directional integration of time data with HR/PR, and more. Understanding the past time evaluation with SWK and key priorities for the business needs to be our next step in this area so we can make an appropriate assessment and recommendation.
    - **Priority – TBD**

- **Human Resources:** In most current HR solutions, the Human Resources modules serves as the central repository for employee demographic data. It can generate key reports on employee data including your governmental compliance reports. A significant amount of manual effort is in place today to manage this data/reporting. We find success with HR systems is often a reflection of how easy it is for employers to update the system, quickly extract the information that is needed, and distribute this information to those that need to consume it. A centralized database or "single truth" for employee information is a critical component to realizing this vision.
    - **Priority - High**

- **Payroll:** *Company A* is currently utilizing Sage 100 Payroll and is importing time data via Visual Integrator into Sage 100 payroll per their bi-weekly pay frequency. Sage offers a more robust payroll solution, Sage HRMS, though no significant challenges with the current payroll process/application were uncovered. Another consideration is to leverage integrated HR data with Sage 100 payroll to reduce the need for duplicate data entry, allow for a "single truth" of employee data, streamlining the payroll process. In addition, the ability to publish pay advices to an employee self service portal is also

available to *Company A* Company should the Sage HRMS HR/ESS technology be adopted in addition to Sage 100 Payroll and should be considered.
  - o **Priority – Low for PR, Medium/High for interfacing HR data to Sage 100 PR & ESS**

- **Performance Management:** There is a desire for additional automation around the performance management process. Today, appraisals are provided by management to employees after 90 days of employment and annually based on employee anniversary dates. For the annual appraisals, a wage increase can be provided on a scale based on the score the employee receives. There are solutions available that can automate the current process at *Company A*, tie department goals to a hierarchy of organizational goals, allow for peer reviews and much more. In our experience, performance appraisals can drive employee engagement and can drive attrition if they are viewed as irrelevant, untimely, or unfair. A deeper understanding of the organizations goals specific to performance management is required to make a proper recommendation.
  - o **Priority – TBD**

- **Learning Management:** With a solution currently in place to handle employee trainings, certifications, and testing, at minimum our recommendation is to develop an interface or import/export to remove the need for duplicate data entry. We discussed the opportunity to provide additional training paths for employee development to help drive retention and engagement. Studies show that employees will often stay in an organization longer even with better paying opportunities available, if the opportunities for career development or advancement exist. A deeper understanding of the capabilities of the current application and associated organizational goals a critical to making a recommendation in this area.
  - o **Priority – Medium/High for interface with HR Data, TBD regarding the need for an alternate solution.**

- **Employee Engagement:** SWK offers an employee engagement tool that is anonymous, leverages questions scientifically proven to drive engagement/disengagement, and benchmarks organizations against others that have taken the survey for additional perspective. As *Company A* is decentralized and is looking at opportunities to increase employee retention, participating in this survey is highly recommended by SWK as it will establish a baseline across departments, locations and managers as well as provide insight into the areas that are driving engagement/disengagement accompanied by specific feedback from team members.
  - o **Priority – Medium/High**

- **ACA Management:** A solution to automatically track eligibilities associated with ACA and populate the 1094/1095 forms is desired and can save significant time & effort at year end.
    - **Priority – High**

- **Compensation Management:** Compensation management was not discussed in detail beyond that it is a part of the performance review process. A deeper understand of how *Company A* desires to manage compensation in the future is important to understand before making specific recommendations.

Goal Alignment

Below is an assessment of how the functionality listed above aligns with the overall goals you shared around your HCM initiative. While every organization is unique, the goal is to identify the opportunities we see for alignment, so you can better determine the impact of any solutions we have discussed on your business.

Goal - Reduce employee turnover

- Applicant tracking solution – can benefit retention by ensuring alignment with the steps in your hiring process, position criteria (skills/culture), and creating a positive initial employee experience. As HR thought leader Bob Kelleher stated regarding employee engagement (a key factor in retention), "Some employers don't have an engagement problem, they have a hiring problem."

Reduce employee turnover (continued)

- Onboarding – first impressions matter to customers and employees. Having an automated onboarding process that allows them to complete documents online or at home can help to make a positive impact on retention, especially if you are losing employees in the first 60-90 days of employment.
- Benefit Management – similar to onboarding, a straightforward enrollment process can help to create an initial positive experience and impression.
- Time & Attendance – an automated solution can reduce turnover if employees feel that some employees are handled unfairly, specifically regarding attendance (early in/early out/no shows). Having a points system that rewards both positive and negative attendance behaviors can be an enabler of employee retention.
- Human Resources – ensuring you have current information on all employees can have an impact on retention, for instance ensuring that employees are receiving performance reviews, tracking the dates regarding prior wage increases, ensuring performance or behavior issues are being tracked and managed appropriately.

- Payroll – the most significant retention issues resulting from payroll include ensuring a system is in place that consistently and properly calculates employee payroll and providing access to pay stubs is a nice convenience for employees. Payroll mistakes or the worst case scenario, missing a payroll, can have a significant impact on employee morale, trust, and retention.
- Performance Management – performance management can have a significantly positive or negative impact on employee retention depending on the timing, results, transparency, manager/employee relationships and many other items. There are many schools of thought regarding the "right" approach to performance management. Regardless of your approach, ensuring your process aligns with the organizations culture and goals is critical.
- Learning Management – the opportunity to grow and develop one's skills can have a significant impact on employee retention, especially if the opportunities that employees are leaving for are for monetary reasons. A wiliness to invest in employees is a key driver of retention for employees.
- Employee Engagement – an understanding of where your organization stands is critical when considering decisions or organizational changes. From our perspective, an anonymous survey of your organization to understand the varying perspectives of employees depending on their location, role, seniority, and leadership status is critical to developing a plan to improve retention.
- ACA Management – we find improvement here has little impact on retention, outside of those in HR that may be tasked with managing this data.
- Compensation Management – compensation is a key driver for retention, though not the top driver. Having a fair and transparent compensation policy is a key component of employee retention.

Next Steps

➢ Review HCM Requirements Summary to ensure accuracy, deepen our understanding of your requirements, and fill in any gaps in our documentation.
➢ Combine HCM requirements with additional needs from SWK and establish an overall plan and set of priorities for SWK to better support *Company A*.
➢ Set up product demonstration(s) as appropriate.
➢ Provide and review budgetary pricing as appropriate.
➢ Schedule project scoping call for implementation as appropriate.
➢ Deliver formal proposal as appropriate.