

“Human Resources Technology - Coming of Age”
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I remember my first day as Human Resources Administrator for a Baxter Labs manufacturing plant that employed over 2,000 employees. I had just graduated with a Master’s of Business Administration. It was the summer of 1979 when I walked into the main Human Resources office and standing in the middle of the room were 20 metal 4-drawer file cabinets. I was impressed with the amount of employee information stored in these file cabinets. It was not unusual to see two or three personnel clerks looking in the files at any given time as it was the employee information center.

Fast-forward thirty-one years. Now the file cabinets are becoming obsolete as organizations have several gigabyte computer servers, scanning equipment, HRIS software and SaaS systems. What an evolution in the information systems and processing world where achieving the goal of being a paperless office is not only feasible but truly obtainable and yet, this is not the end point for human resources. The past decade has seen the proliferation of HRIS systems and complimentary software programs to aid human resources with entering and retaining information on potential, current and terminated employees.

Now we are entering an era where we will see human resources systems moving beyond information processing. We have and will continue to see a push into systems that provide analyses, trends, intelligent decision making and other forms of human resources planning, forecasting and accountability. The day of determining the return on investment (ROI) is here, and it is essential. Striving to obtain the most streamlined process for the lowest cost is the goal. Bob Conlin, VP Marketing/Product Strategy for Accero, defines a company’s ROI as “your Total Realized Value (TRV)”. Bob went on to define TRV as “the degree to which broad potential value of a Human Capital Management (HCM) solution translates into a more narrow range of tangible value.”

With HRIS platform systems that cost well into the six and seven figures for large firms, and with HCM/HRIS systems that can be downloaded, access by the web or SaaS hosted, human resource professionals (along with the help of the company’s CFO) must calculate a return on investment. HRIS, HCM and HR complimentary software ROI assessments include several factors. These factors are inclusive of:

- Labor savings
- Saved office space
- Greater decision-making information for managers and directors
- Compliance and risk analysis with employer employment laws
- Increased collaboration
- Improved accuracy
- Integration with current systems and maximized use of human resources features

When calculating the ROI, be sure that you understand exactly what the capabilities are of the system that you are looking at. Often times, reasonably priced HR complimentary software systems that integrate seamlessly with in-house open HRIS systems provide the most productive and efficient use of human resources capital management. We believe that no one tool can do it all or provide the perfect fit, so take all of these issues into account before implementation.