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THE CULTURE SOFTWARE

# WHAT TO CONSIDER WHEN BUILDING YOUR HR TECH STACK

How to Leverage Culture-as-a-Service to Make your HR Tech Stack Industry Leading



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#### ABOUT HUMANTELLIGENCE

Humantelligence accurately measures culture at every level of an organization, from individuals and teams to overall corporate culture. HT has the quickest, most comprehensive self-assessment that measures behaviors, motivators, and work energizers so that leaders have the culture and talent intelligence needed to measure, manage, and hire for culture, optimize collaboration, and build, engaged high-performing teams across the organization. To learn more, visit www.humantelligence.com.

# SUMMARY

Over the last decade, the human resources technology stack has evolved. From once just supporting transactional tasks, the HR tech stack has become a collection of integrated digital tools that support the HR business function – from handling traditional tasks, such as payroll and benefits administration, to supporting and reporting on recruitment, hiring, employee engagement and assistance programming.

Ultimately, an effective HR tech stack both frees up HR professionals' time to focus on more strategic efforts, while using insights from these technologies to inform decision-making related to bigger company goals, such as improving employee retention. However, most average HR tech stacks only include common elements like a core HR Management System, as well as solutions for recruiting, learning, and performance management.

What's often neglected, especially for many small and mid-sized businesses, is what proves to be most critical for powering effective collaboration, driving productivity, and engaging teams in a positive employee experience – all of which contribute to employee retention – and that's Culture-as-a-Service.

Culture management technology is no longer reserved for enterprise organizations – those corporations managing hundreds or even thousands of employees with large budgets that allow them to be relatively flexible with their technology spending. In fact, if 2020 taught us anything from a culture and technology standpoint, it's that the value of cloud computing and unified communications solutions for workforces of any size became table stakes.

As we have seen, small and mid-size businesses that had already adopted a modern HR tech stack were able to adapt more easily during the pandemic. Many could even keep running their businesses during lockdowns while employees worked from home. Moving forward, having the right HR tech stack that includes culture technology will prepare you to address any future uncertainties more effectively, while also serving to become your competitive advantage as the battle for top talent heats up.

#### **Intended Audience**

If your organization was unprepared for the events of last year, if Culture-as-a-Service is a non-existent part of your HR tech stack, or if you need an integrated, technology-enabled strategy for helping your teams achieve shared outcomes from wherever they now work, this guide is for you.

Today's HR Mission & Core Tech Stack What is Culture-as-a-Service? Critical Areas CaaS Solutions Address Technical Considerations Benefits of a CaaS Tech Stack Conclusion

# TODAY'S HR MISSION

Enter 2021, and we're now living in a new world spurred by digital transformation. As technology continues to evolve, work is no longer tethered to a specific desk, phone, or computer screen. New expectations are setting in, and workers are requiring the freedom to share their skills and pursue new opportunities across the globe, all with nothing but the right device and a cloud connection.

The result has been nothing short of a deluge of communication and employee management tools, designed for almost every touchpoint in the average business. So what's the problem? Could it be that we've shifted so fast that:

- 1) the sheer number of tools available is enough to overwhelm any IT team, and
- 2) we haven't paid enough attention to the kind of cultures we should be fostering in order to support and sustain such increased freedom and globalized teams.

Now more than ever, HR's focus is on putting people first, and culture and employee engagement have become priority. HR analyst and Chief Research Officer at Lighthouse Research & Advisory, Ben Eubanks points out that data continue to show that tailoring experiences to the unique "fingerprint" of your workforce can lead to better engagement, retention, and other KPIs.

Engagement is the emotional commitment an employee has to their organization and its goals. Engaged employees aren't just working for a paycheck; instead they truly care about their organization's mission and are willing to go above and beyond. A highly engaged workforce results in higher productivity, more satisfied employees, strong retention rates, and a better ability to attract talent – especially important in today's **red hot job market**. "There's not much that HR can do about the way technologies are rolled out, and there's not much that IT can typically do to influence the way HR is handled in the organization," said David Johnson, principal analyst of employee experience at Forrester.

However, working together, HR and IT can gain understanding and effectiveness they couldn't have alone. In your effort to redefine the workplace for your employees, you must innovate on how you deliver your services, and it all starts and ends with the HR & IT partnership and your tech stack.

# The Basics: Human Resource Information System (HRIS)

Put simply, an HRIS is the integration of HR activities and information technology. Your HRIS is where it all comes together and serves as the system of record for people at your organization. It enables data entry and tracking and management for human resources, payroll, and accounting. Most HR teams use an HRIS to help them improve their processes and stay organized.

Using an HRIS that fits your needs has some very clear benefits. VP of Human Resources, Tiffany Davis-Ransom, who has led the roll out of new HRIS at several companies cites the following:

- **Record-keeping.** An HRIS is a record-keeping system that keeps track of changes to anything related to employees. The HRIS can be seen as the one source of truth when it comes to personnel data.
- **Compliance.** Some data is collected and stored for compliance reasons. This includes material for identification and reporting purposes, emergency contact information in case of accidents, citizens identification



information for the tax office, and expiration dates for mandatory certification. All this information can be stored in the HRIS.

- Efficiency. Having all this information in one place not only benefits accuracy but also saves time.
- HR strategy. The HRIS enables the tracking of data required to advance the HR and business strategy.
  Depending on the priorities of the organization, different data will be essential to track. This is where the HRIS comes in.
- Self-service HR. A final benefit is the ability to offer self-service HR to employees and managers. This enables employees to manage their own affairs. When implemented right, the HRIS can offer a good employee experience.

She reminds that not all HRIS offer this in a user-friendly manner, but some key features of any HRIS system you're assessing should include include:

- time and labor management activities
- a payroll system
- benefits administration
- performance appraisals and management
- applicant tracking and succession planning tools

Gartner's Magic Quadrant lists the 11 best-known Human Capital Management or HRIS suites for midmarket and also large enterprises, including Workday, Oracle, SAP, ADP, Ceridian, Kronos (Ultimate Software), and more. In fact, <u>Ultimate Software</u> (now known as UKG) was ranked by Forbes as the 7th Most Innovative Growth Company. The company provides one system of record for HR, payroll, and talent management. Systems include time and attendance, onboarding, performance management, compensation, succession management, and more.

#### **Pay & Benefits Administration**

The administration function of HR can be thought of as traditional, back-office HR responsibilities – benefits and payroll being two of the most important. Paying your people and providing them with health and other benefits doesn't have to be challenging and it shouldn't be manual. HR SaaS tools for payroll and benefits that integrate with your HRIS aim to make administration easy for companies at any size. Payroll software helps your business keep track of employee wage and salary rates and automates payroll runs. Payroll software calculates total compensation for a given pay period, debits the company bank account for that amount, and transfers funds to employees with one click. Many solutions also feature time tracking, tax management, and reporting functionalities.

Some examples include:

- **Payscale:** Payscale now offers an in-depth HR tool with the ability to track and analyze their compensation strategy with fresh salary data.
- Gusto: Gusto offers payroll, benefits and HR tools for small to midsize companies. They have integrations with popular accounting software like FreshBooks and QuickBooks Online, as well as time tracking software.
- **Zenefits:** Zenefits has been providing payroll, benefits and more to small and mid-size organizations.

**Benefits administration** software makes enrolling in and managing benefits, such as health insurance or a 401k, an easy process for employers and employees alike. Typically, these solutions also track data for cost and compliance purposes. Benefits administration software manages the following tasks:

- Online benefits enrollment
- Health/life insurance administration
- HSA/FSA administration
- · Retirement plan management
- Deduction management

For more guidance on how to select an HRIS that can integrate these essential core components, SHRM has put together <u>this comprehensive guide.</u>

As strategic business partners for your organization, you work across the enterprise to optimize the entire employee lifecycle, so once you have your core HRIS (or HCM) and integrated pay and benefits administration system selected, it's time to consider the other critical component of your core stack – culture management.

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# How do you know if you're ready to invest in Culture-as-a-Service solutions?

#### Global HR professional, Davis-Ransom gives us these questions to consider:



#### Are you hiring quickly and fighting to find the best talent?

You might need to streamline your hiring process, collect vital information, move candidates through the process efficiently, and make objective, unbiased decisions based on skills, behaviors, motivators, work energizers, and overall culture fit.



#### Are you trying to preserve or change your culture as you quickly grow?

Although culture is hard to measure and to control directly, leaders can execute some very tangible things to develop or course-correct a mis-aligned culture. The most important thing is to make sure that during business plan reviews, culture is aligned to your company's strategy – a simple but often neglected step.

This can be key as you go through growth spurts and need to determine if new hires are a culture fit, either amplifying aspects that made the organization successful or filling critical gaps. You cannot keep hiring for your current state but rather must hire for your future state, which means you must be very clear and specific on your desired culture, vision, values, and goals.

# Are you struggling to assess internal mobility opportunities for employees and/or experiencing high turnover rates and associated costs?

By investing in a robust talent and culture intelligence platform, you can track multiple facets of the employee lifecycle, lay the groundwork for potential changes that will help drive growth, innovation, and team engagement, and finally be able to do the kind of analysis that examines the health of your organization and team cultures.

# Are your employees craving more meaningful collaboration and engagement but spend more time mis-communicating or going back and forth?

It might be time to invest in an emotional intelligence-based collaboration tool – one of the most important weapons in the culture-scaling toolkit. As we transition into permanently remote and hybrid work models, it's going to be imperative to infuse emotional intelligence into your day-to-day processes, especially if you're working to foster a culture of better understanding, inclusion, and collaboration. This can begin as easily as putting EQ insights at the fingertips of every employee, where they communicate most often – and for most of us now, that's in virtual meetings, emails, and chat tools.





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# WHAT IS CULTURE-AS-A-SERVICE?

Before we get to Culture-as-a-Service, let's start with this question:



According to **Deloitte**, culture drives strategy. When aligned with business strategy, organizational culture can drive results, without having to rely on command and control – it's how things get done in your organization.

Similarly, for Juan Betancourt, Chief Executive Officer of Humantelligence, culture is your company's **B-M-W**: the sustained patterns of (1) **B**ehaviors over time that are supported by shared experiences, (2) the values or **M**otivators, and beliefs of the organization, and (3) the way work happens or **W**ork energizers of its people. Together, culture is what transforms individual employees into a collective, cohesive whole.

"For far too long, culture has been considered nebulous – difficult to measure and assess and even harder to change – but that's no longer the case. You can define, measure, and actively manage your culture. And when you do, you'll see your team's performance improve, which leads to better overall operations as well as valuable contributions to the market you serve."

#### What culture is not...

It's also important to note what culture is not. As Don Sull tells us in <u>When It Comes to Culture, Does Your Company</u> <u>Walk the Talk?</u>, it's not the values you post on your website or the laminated one-pager you give to employees. He goes on to explain that company practices often conflict with corporate values – with data demonstrating little to no correlation between official company values and actual culture as perceived and lived by employees. Closing that gap starts with communication and a plan to address culture at its core.

In fact, employee expectations are high. When potential new hires are considering coming aboard, what they'll really be looking at when it comes to culture is the following:

- The team's work habits
- What and how the team is motivated
- A shared sense of purpose and mission
- How the team interacts or socializes
- Diversity or lack thereof
- Mentorship opportunities to build knowledge, skills, and abilities
- How the team collaborates and communicates
- Where and how new ideas are fostered
- How feedback is solicited, acknowledged, and implemented
- Company and team planning processes
- Recognition for work well done

That is... they'll be looking at how work gets done, who makes the decisions and why, how people are rewarded, and opportunities to grow through leadership and mentorship – all of the expectations, values, and norms associated with working at your company – that is your culture defined.



### **Key Exercise**

Identify rockstar teammates those who advance the goals and objectives of the company and embody the core values in their work and communication styles - and then think about each of their positive attributes. Define a short but specific list of traits that are valued across the organization. Once you have this, you almost can't talk about them enough. Make sure they are reinforced when hiring, conducting performance reviews, in monthly all-hands meetings, during team recognition ceremonies, and even in front of clients. It's important to consistently recognize when team members exemplify your company's values because it models and better defines these behaviors and encourages your full team to follow suit.

#### Addressing Remote & Hybrid Work Impact on Culture

In the last 18 months, we have seen digital business initiatives accelerate and workforce models shift, and with it a resetting of long-term employee expectations. In Prudential's recent <u>Pulse of the American Worker</u> <u>survey</u> of over 2,000 full-time workers:

- 68% of workers prefer a hybrid-work model, and
- 87% want to continue to work remotely at least one day per week.

That means your teams and organizations are going to become more distributed than ever. As businesses continue considering long-term strategies and figuring out what a return to the office ends up looking like, some say IT holds the key. Just ask infrastructure director, Attaullah Malik, who says you'll also need to build and enable a culture and working environments that support those workforce models – office perks can no longer be charged with this responsibility. Involving IT has become key to implementing an integrated tech stack that better supports these models in order to empower people with the kind of tools that enable more effective collaboration.

> As your company grows or evolves, the key is to implement solutions that empower cross-functional collaboration and employee productivity."

Attaullah Malik, Director, Compute Infrastructure

There are ways now, using technology, to measure and address culture, connect more meaningfully with one another, assess team members' ability to work remotely and where to focus training and support, as well as to get a pulse on how people are feeling. And it doesn't have to be a daunting or expensive... enter Culture-as-a-Service.

#### **Culture-as-a-Service**

A practical way to think about how Culture-as-a-Service impacts business performance is to start with a baseline KPI, such as profit per employee. As you invest in productivity tools, your profit per employee KPI has the potential to improve, either by increasing top-line revenue and holding costs level, or by reducing costs when top-line revenue is flat.

Either way, <u>culture intelligence solutions</u> - also known as Caas (Culture-as-a-Service) directly affects employee productivity through improved collaboration, reduced error rates resulting from less miscommunication, and increased employee satisfaction and retention – all leading to top and bottom-line improvements. For business impact, this is one of the most important pieces of your tech stack and a critical component of your culture- scaling toolkit.

For example, as we transition into more long-term commonplace hybrid work models, it's going to be imperative to infuse culture and individual emotional intelligence into your day-to-day processes, especially if



you're working to foster a culture of better understanding, inclusion, and collaboration. You can begin by putting <u>emotional intelligence data</u> at the fingertips of every employee, where they communicate most often – and for most of us now, that's in virtual meetings, chat, and email. When you implement CaaS solutions, you're leveraging often unknown and unnoticed insights about your team to establish more effective communication, working structures, and talent acquisition plans – which will help you scale or transform culture.

#### **Culture as a Service (CaaS)**

Key to productivity, team culture dynamics can be difficult to measure and even harder to change – until now. With cloud-based culture and talent intelligence solutions (CaaS), you can assess culture at every level and build more engaged, higher performing teams across your organization.

Your organization probably uses technology like Slack, Microsoft Teams, Gmail – the list goes on. But you're probably not optimizing your use of those tools by integrating emotional intelligence for your team. With a simple integrated plug-in, you can give your staff the kind of information needed to better communicate and collaborate with one another, taking all of the guesswork out of it and allowing them to spend time on the work that matters.

It's important to give your employees the opportunity to thrive and do the job they were hired to do – instead of requiring them to spend valuable time figuring out how to work better with one another. This work will only wear them down, when there are easier, faster tech-enabled ways to do it. This is also where Culture-as-a-Service solutions can come in.

Imagine being able to click on meeting participants and see real-time tips and recommendations for communicating, motivating, and influencing them. Imagine seeing this same information in aggregate for your meeting group. Imagine knowing who best to call on for pre- or post-meeting action items, for helping leading certain initiatives while identifying those better suited to document or support, and who might benefit from a heads up on particular messages — all of which take into account your team members' behaviors, motivators, and work styles in an easy-to-understand way.



### Reminder:

#### Culture is <u>not</u> HR and it's not just engagement surveys or employee feedback.

An HR leader can think about and design a desired culture – finding ways to move the culture in the right direction and monitor progress, but the culture of a company is set early and by the leaders. Culture <u>IS</u><u>NOT</u> foosball tables, free food, or any other benefit. Culture IS how the company does its work, how it communicates, and how it supports and recognizes employees.

### **Key Action:**

# Don't neglect culture. It impacts engagement, which drives productivity.

Make culture a key component of business planning and align it to strategy because it will influence the work. Set aside time to evaluate what you value when it comes to what success looks like for your team, your company's growth strategy and identity, as well as relationship building, communication, and collaboration. Once you're able to do this, you will be able to articulate your desired culture and set in place a strong foundation for how that culture develops. Culture-as-a-Service helps you measure and manage culture.

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# THE CRITICAL AREAS CaaS ADDRESSES



As organizational cultures evolve post pandemic, Cultureas-a-Service should be viewed as a driver for value measuring your current culture so you can better manage it.

As Eubanks puts it, "the average HR tech stack always looks at common elements like HRIS, recruiting, learning, performance, but they are missing a key element that tells them who people really are. Your culture tech stack – a subset of the HR technology ecosystem – takes into consideration many components: recruiting, onboarding, engagement, learning & development, surveys and feedback, recognition, communication and collaborations tools, as well as culture management tools."

Each has their own place in how an organization supports culture and its workforce. Let's start with one of the first steps in the employee experience – recruitment and onboarding.

#### **Recruiting & Onboarding**

An innovative recruiting and onboarding platform offers you the opportunity to automate most aspects of the process and engage everyone, including hiring managers, candidates, and recruiters. HR SaaS tools can make it easier to source potential candidates and create a delightful onboarding experience. Some sample players here include:

- **Greenhouse:** Greenhouse is an applicant tracking system and recruiting software for growing teams. They recently acquired Parklet, and now offer Greenhouse Onboarding to support new hires.
- Lever: Offering Lever Hire as their standard collaborative recruiting platform, they also offer Lever Nurture to make proactive sourcing more timely and efficient.

For a more complete list of <u>onboarding and recruiting</u> <u>systems</u>, visit the Society of Human Resource Management. With any recruiting and onboarding platform, your goal should be to drive a structured recruiting process that is personal and data-driven.

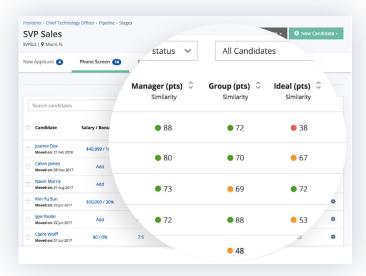
"Personalizing your recruiting and onboarding process can really pay off in today's talent market," notes Betancourt. "Creating a structured experience, with personalized touch points, will help you win and keep talent. Look for tools that enable data-driven decisions and eliminate bias, so your hiring managers can understand the key predictors of performance and hire the right candidates to enhance their current team culture."

> Look for tools that enable data-driven decisions and eliminate bias, so you and your stakeholders know key predictors of performance and hire the candidates that enhance culture."

Juan Betancourt, Chief Executive Officer, Humantelligence

What's more, good applicant experiences have positive long-term effects for organizations regardless of whether the candidate was actually hired. **Fifty-six percent of applicants** who were happy with the way they were treated by an employer when applying for a job said they would consider seeking employment with the company again, and 37 percent said they would tell others to do the same. In recent survey findings from over 800 firms, Lighthouse Research & Advisory found that 90% of employers see the value they expected from AI, chatbots, and other recruiting automation tools.





Hire for Fit: Leverage technology to take the guesswork out of candidate fit and predictive success.

These capabilities are rapidly becoming table stakes for the modern talent function. Use platforms that allow you to assess candidates against the job role needs, as well as against your team or organizational culture. <u>Systems</u> <u>that do this</u> provide an extra layer of predictive success reporting, reduce your time-to-hire rates, and lower your turnover rates – and just as important, they should integrate with existing systems like an existing ATS. Taking the time to evaluate and leverage the value automation and integration can offer is worth it.

#### Learning & Engagement

Running a successful business boils down to ensuring your workers are productive, happy, and actively engaged with activities that move the business forward.

Learning and development is one of the most effective strategies to boost engagement and minimize churn at your organization. In fact, there's enough evidence now to show that companies that promote a culture of learning perform better.

According to <u>this LinkedIn Learning course</u> (quoting a McKinsey report), companies that offer comprehensive training programs have *higher income per employee by as much as 200%*. And for millennials, learning opportunities at a company are now the top metric in their likelihood to stay at a company. <u>A PwC study</u> found the same – that "the current workforce is more motivated by personal and professional growth than they are by earning more money."

New digital tools have dramatically altered how we learn. Here are some of the key features of the modern corporate learning experience.

#### **On-demand learning**

The brick and mortar professional development course is dead! Instead of the rigid classroom model, learning can be a part of employees' daily workflow - at their desks, on their mobile phones, or from wherever they work.

#### **Consumerization of learning**

Just as apps have changed the way we call cabs or watch movies, new digital learning tools also offer the same intuitive, engaging, and easy-to-use experience for people at work.

#### Agile, cost-effective learning

In an era of rapid technological change, learning has become critical for companies to stay up to speed. A modern learning platform accelerates learning program delivery to ensure the most up-to-date training reaches your employees quickly and efficiently.

#### Self-awareness & coaching

With culture analytics, L&D leaders are working to understand individuals and team cultures better – and ultimately create and deliver programming that leverages a psychometrics-based platform to improve managers' coaching, increase understanding of their teams, pave a pathway to building a stronger, better-connected team for purposes of more meaningful collaboration – becoming more productive and delivering results faster.



According to Smarp, companies that do have a high level of employee engagement are more profitable by a factor of 21%. So to more deeply understand what drives the engagement of your people, aside from skill building and growth opportunities, you also need to provide people with a centralized place to both give feedback to others and better understand themselves.

Consider **employee engagement suites** that incorporate self-assessments designed to empower people with a better understanding of their work behaviors, motivators, and work energizers. When investing in engagement solutions, look for a centralized solution that consolidates key feedback-focused areas, such as:

#### **Career & development feedback**

Knowing that coaching and feedback are key to ongoing performance management and engagement, provide an easy way for employees to obtain and manage peer, 360-degree, subordinate and manager feedback more frequently.

#### Pulse survey feedback

Pulse your employees on important topics and get instant and consistent feedback to help you make informed operational, policy, programming, or strategy decisions. Be sure you can analyze data by different populations, as well as product, territory, and functional groups.

#### **Performance management**

Use a centralized learning management system to track performance and provide actionable content and assignments to help employees track performance, growth, and any new performance management processes. Be able to align and motivate employees around specific strategic goals, tasks, and actions – by company, by division, by territory, or by function – delivering fast, measurable business results.

When you focus efforts around learning & development programming for employees, you'll find team members getting more engaged than ever before. And when you invest in the kinds of solutions that can support those efforts, you'll also have the data needed to make more informed hiring and people-related decisions for your organization.

#### Recognition

A meaningful employee recognition program not only demonstrates to employees that their work is valued, but also supports positive engagement and retention rates. The data proves it. Appreciation, gratitude, and recognition are integral to creating a positive employee experience. Workhuman's **Employee Experience Index with IBM Smarter Workforce Institute** – based on a study of more than 23,000 workers – showed that when employees receive recognition for doing good work, 83% report a more positive employee experience. When workers don't receive recognition, only 38% have a positive experience. Data from the Workhuman Analytics & Research Institute showed that retention and engagement rates are higher for employees who receive recognition, and even higher still for employees who both give and receive recognition.

The most successful businesses know that the <u>more</u> <u>gratitude in a company</u>, the more productive and engaged teams are and the better the organization performs. An authentic and meaningful recognition program serves three greater purposes:

#### 1. Showcase Goal Achievement

Why does it feel so good to get a simple "thank you" from someone? All humans feel the need to be praised at some level. They want to know that their hard work and achievements aren't going unnoticed. When a person achieves a goal, personal or work-related, they feel a rush of achievement, and that good feeling is only amplified when others recognize and acknowledge the achievement.

#### 2. Motivate Continued Effort

Recognition can be tied to more than just performance. Celebrate strong effort when employees go above and beyond. This helps them develop emotional connections to the workplace that fuel future performance.

#### 3. Reinforce Values

Achievements and actions that are recognized more frequently show employees what is valued by managers, leaders, and the organization as a whole. When we receive positive recognition for an action, we tend to associate that action with a reward and try to achieve that feeling again in future actions. So recognizing certain actions can reinforce the values an organization wants in its culture.

The results of recognition: morale goes up, employees create stronger social connections, and productivity increases.



When you invest in a solution to support employee recognition, you're able to achieve:

- **Recognition in real-time:** Real-time recognition reinforces positive behaviors as they take place and create momentum. Frequent and authentic appreciation contributes to a recognition-fueled company culture, where employees feel confident celebrating each other's success.
- Personalization: Consider your employees' individual needs and motivators, and a platform that offers a wide selection of meaningful reward opportunities.
- **Recognition ROI stats:** Just one in ten organizations actively measure the impact of their total rewards program. Invest in a recognition platform that offers a complete feedback loop, and the opportunity to survey rewarded employees against your engagement KPIs.

#### **Communication & Collaboration**

As most CIOs will tell you, enabling this area is key, as their roles evolved considerably during the pandemic. As the technology experts of organizations, these executives have stepped up to enable the quick work-from-home pivots and expanded e-commerce sales channels, and as most IT teams now would say, their teams also saw their roles expand into other areas - including pushing the employee experience to the forefront of where they are making significant impact.



#### of CIOS see themselves as change agents who play a role in improving the culture of their organization (Adobe and Fortune)

"Despite the enormous weight on our shoulders, CIOs are stepping up to the challenge," said Cynthia Stoddard, senior vice president and chief information officer at Adobe. "Along with other business leaders, we have embraced our enhanced responsibilities and influence as an opportunity to further collaborate and succeed in today's new digitalfirst reality."

Given the proven correlation between happy employees, satisfied customers and overall business success — it's more critical than ever that CIOs prioritize any systems or business processes that improve collaboration, productivity and overall employee experience."

Cynthia Stoddard, Chief Information Officer, Adobe

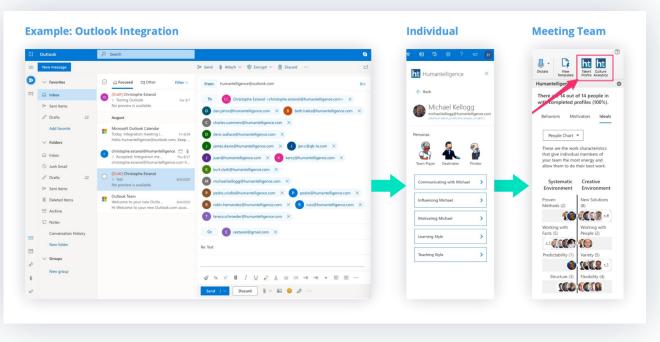
With remote work, employees' entire work experience may be consumed via technology - their computer and mobile technologies, along with project management, communication, and collaboration applications. And as teams become more and more distributed, collaboration applications have become the most mission-critical apps to an organization's success. Organizations will continue to transition in how they operate, so it will be imperative for businesses to leverage tools that optimize collaboration on the spot to ensure teams remain engaged.

One of the most effective ways to do this - quickly and easily - is to infuse actionable emotional intelligence data into the existing daily workflow of all teams, at just the right moments for employees - within chats, team channels, and meetings.

With a simple plug-in added to your organization's tech stack, your team can have the kind of information needed to better communicate and collaborate with one another.

Whether working one-on-one or within and across departments or divisions, teams can have a deeper understanding of one another, and as a result, work together more effectively than ever before.





Ex: In this meeting invitation, you have communication and meeting culture insights available to everyone involved, resulting in more effective collaborative and improved productivity of meetings.

As a result, employees can collaborate more meaningfully and remain more engaged from wherever they work. Consider investing in an emotional intelligence-based collaboration tool that integrates into your HR tech stack to keep teams connected.

#### **Culture & Talent Management**

Data indicate that companies having a thriving culture experience a revenue boost of 4X (Source: Smarp). In another <u>major long term study</u> spanning 11 years, data revealed that companies with the best corporate culture experienced a 682% growth in revenue. Another set of companies under supervision over the same period with a poor corporate culture and disengaged workers experienced only a 166% growth in revenue over the same period. When properly calculated, group A, with a thriving culture and appreciation for its workers, achieved 4X revenue growth more than group B.

Company culture, employee engagement, and collaboration solutions go hand in hand for any successful businesses. You can now measure your culture in order to identify the shifts that need to be made. Once you measure it, you can leverage your culture analytics and align it to talent mapping – helping you optimize teams, drive change, and ultimately align your culture with your goals. Sounds impossible, right? Imagine being able to compare under- and high-performing teams within the organization to identify and address issues faster. Using a simple but insightful 12-minute psychometric assessment, you can then **culture map core values** to team's measured motivators, behaviors, and ideal work environments to gauge alignment and identify gaps – allowing you to build an action plan to achieve your desired culture – whether that be through hiring, learning & development, and internal mobility decisions.



Current team Culture Map to identify leading motivators, behaviors, and work energizers for your team.



With culture management solutions, you'll maximize effectiveness and gain a more holistic view of a team or organization's identity. Without culture technology as a part of your HR tech stack, you'd be unable to:

- Map current to target team or organizational cultures, pinpointing strengths and gaps to identify necessary shifts
- Align talent development & workforce planning strategies to goals
- Advance data-informed leadership and team composition changes as well as internal mobility decisions that foster greater innovation
- Hire more intentionally for culture fit, performance, and diversity of thought
- Power effective teaming and meaningful collaboration in ways that drive performance



### **Reminder:**

Despite some arguments, technology can help make your company feel MORE human, in addition to helping you scale and drive performance.

Offering tools and delivering better experiences that enhance your team's overall performance not only boosts their morale but gives them better opportunities to contribute value to the organization. When you leverage CaaS technology, you can get new insight into how your organization operates so you can optimize teams, drive change, and transform culture – while giving your employees an opportunity to gain useful insights about their work habits and styles.

### Key Action:

Consider culture intelligence solutions to identify gaps and determine where and how teams need to adjust.

With tools that support better

collaboration, remote working, and culture mapping, you'll have all the data you need to address issues in real-time, provide your team with the communication insights needed to collaborate more meaningfully with one another, but also mapping out the shifts that need to be made to achieve your desired culture.



# TECHNICAL CONSIDERATIONS

Your company's HR tech stack is one of the most important points of intersection for HR and IT teams. And according to Davis, one of the biggest concerns among HR and IT teams is that working with lots of different vendors means data gets siloed, and the tech stack becomes difficult to manage. That no longer has to be the case.

She advises that while some of the traditional HR tech vendors charge exorbitant amounts of money to allow you to integrate their tools with other platforms, modern HR tech vendors actively encourage you to do so and don't charge for that need. Most will even build new integrations for you or have out-of-the-box integrations with other popular vendors in the ecosystem.

So while there are still many large enterprises that buy from vendors that attempt to be "all-in-one," many organizations, today, invest in best-in-class tools for critical areas of the employee lifecycle in order to stay competitive and become industry leading because those tools will allow for data integration.

With this in mind, we explored some of the most important technical considerations to make when evaluating solutions for your HR stack.



## Data consolidation vs. separation

Building an effective HR tech stack means you're eliminating or reducing the amount of manual tasks on your plate while collecting meaningful insights

that will help inform future organizational decision making. One of the most important parts of any HR tech project is ensuring data won't be stuck in one system, or the wrong system. To ensure data won't get stuck or not speak to other systems, select vendors that:

- Have an open API
- Don't charge for API consumption or access
- Have a growing ecosystem of integration partners
- Integrate with well-known and leading providers to enable onward integrations
- Are willing to build new integrations that benefit their customers at low or no cost

As we've discussed, most organizations will have a primary Applicant Tracking System, a core HRIS system for managing employees, and then a best-in-class talent and culture intelligence (CaaS) solution that can integrate with these. All of these should store but also share data as needed in order to consolidate manual processes and the use of point solutions that silo data.



#### Cloud-based SaaS vs. On-premises

While common now, it doesn't go without saying that most modern HR software is cloud-based and provided by Software-as-a-Service (SaaS) vendors.

Essentially, the fundamental difference between cloud vs. on-premise software is where it resides. On-premise software is installed locally, on your business' computers and servers, where cloud-based software is hosted on the vendor's server and accessed via a web browser. This means that instead of installing and maintaining software on your own servers, you access it over the internet.

In the early days of cloud-based SaaS, IT and security teams were concerned about increased security risk. But over the past decade, cloud-based software has become the norm and companies have become more comfortable having their data hosted in the cloud.



Malik reminds us that most SaaS vendors use hyperscale cloud infrastructure provided by companies like Amazon Web Services or Microsoft. These cloud service providers invest significantly more in security than any one company could by trying to secure their own on-premises infrastructure and, as a result, cloud-based software that's been built in the right way is usually much more secure than an on-premises alternative.

Other benefits, according to Malik, that you should expect of SaaS providers include:

**Affordability** – Cloud requires no upfront costs. Instead you make regular payments which makes it an operating expense (OpEx). While the monthly cost adds up over time, maintenance and support services are included removing the need for annual contracts.

**Anywhere and anytime access** – You can access your applications anytime and anywhere via a web browser from any device.

**Data localization** – Some businesses require global presence either due to changes in regulatory compliance or to improve the response time for their international customers. With cloud computing, it's not difficult to make a clone of a product environment available in different regions of the world. It lowers the complexity for infrastructure, talent, and compliance management among several other benefits.

**High levels of security** – Data centers employ security measures beyond the affordability of most businesses. Your data is often safer in the cloud than on a server in your offices. Data centers comply with the most stringent security standards – and you'll be able to validate that with the provider.

**Predictable costs** – Benefit from predictable monthly payments that cover software licences, upgrades, support and daily back-ups.

**Quick deployment** – You'll enjoy shorter (and less expensive) implementation timelines because cloud-based software is deployed over the Internet in a matter of hours/ days – compared to on-premise applications which need to be installed on the physical server and each PC or laptop. **Scalability** – Cloud technologies provide greater flexibility and can allow you to easily scale to meet demand, for example adding and scaling back licenses based on your headcount growth.

**Worry-free IT** – Because cloud software is hosted for you, you don't need to worry about the maintenance of your software or the hardware it resides on. Compatibility and upgrades are taken care of by the cloud service provider. Additionally, software updates are managed by the vendor, and it's easier with cloud-based software to integrate your existing (and future) tools – ensuring further data consolidation.



#### **Configuration vs. customization**

If your last HR software implementation project was long, drawn-out, and involved lots of custom development and consultants, you should know that modern people tech – particularly

culture management solutions – often offer a level of configurability that makes implementation significantly easier.

In the past, an HR software implementation project would require a huge amount of work from a team of software developers, infrastructure engineers, and a team of external consultants to implement. Sound expensive? It was! There would be a significant amount of customization work, servers to install, and QA testing to complete.

But almost all modern HR tech is now multi-tenanted SaaS. This means the same software with exactly the same code is used by hundreds of companies, all hosted on the same servers. To enable this, vendors have invested heavily in offering configurability. Rather than having software developers customize the software for you, there are enough built-in configuration options that you can make the software work in the way you need by changing the configuration options rather than having developers write expensive, time-consuming custom code.

This enables vendors to offer competitive pricing, gives you a certain level of control, and leads to faster, easier, and less expensive implementation. Finally, as you think about evolving your HR tech stack, our contributors collectively recommend the following set of product considerations to keep in mind when it comes to vendor selection so that you can ensure your tech stack both withstands the test of time and can grow with your needs.

#### **1. USER EXPERIENCE**

Does the design and user experience feel like it's up to date, or does it feel like a blast from the past? If it still feels or looks like early 2000's HR tech, it could be a sign that the product is not being developed to keep up with changes in the talent sourcing and employee lifecycle experience.

#### 2. CONSISTENT DEVELOPMENT

Ensure your vendors are investing at least 15-25% of their product development time in building their <u>ecosystem of partners and integrations</u>. Deep integrations between best-in-class tools and budding partnerships give you the most flexibility for the future.

#### **3. PRODUCT PRICING**

Always ask about the model in place for current clients receiving access to future feature releases. Pay attention to language, such as features versus modules versus add-ons – they could mean the difference between receiving future releases and enhancements or having to pay extra. And what about headcount...if your teams are planning to grow, can you lock in price now or will you have to pay increases as your usage increases?

#### 4. VENDOR LONGEVITY

Ensure your vendor's going to be around for the long haul. That doesn't mean you just choose the biggest. On the contrary, you may be better off choosing a vendor that's smaller but growing and focused on customer success vs. a larger vendor that might be unable to devote the time needed to help you be successful.



### **Reminder:**

## Avoid data silos, on-premise hosting, and labor-intensive customization.

For faster, easier, less expensive implementation of your chosen solution, choose vendors that have a growing ecosystem of partners, integrate with well-known players in the various areas of the HR tech space, allow for configurability, and are cloud-based. Your data will provide a more holistic picture of HR effectiveness and drive more effective team collaboration.

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### **Key Action:**

Always ask these key product questions to get a fuller understanding of the vendor.

Ask any vendor you're considering key questions around their product development roadmap, areas of development focus, access and pricing dependencies for new features/ modules/ add-ons, integrations, product pricing models for increasing headcounts/usage, and their approach to customer success.

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# BENEFITS OF A CaaS TECH STACK



The majority of the workforce is more tech-enabled than ever, and workers' expectations for consumer-grade experiences are growing rapidly – which is why integrating Culture-as-a-Service (CaaS) solutions have now become a must-have for organizational success.

Malik reminds us, "In today's global workplace, to transform along with the workforce, your organization must focus on an integrated digital service experience that connects with organization's people services, while incorporating deep analytics as well as intelligent automation capabilities."

The digital service experience is the foundation for a successful digital HR transformation – and the result will be a more strategic HR function that propels the business agenda through the lens of an organization's people agenda.

In today's competitive and dynamic landscape, a modern HR tech stack that includes <u>Culture-as-a-Service</u> will allow you to:

- lead with a workforce-centric experience, which includes delivering inclusive and supportive services
- integrate, modernize, and streamline employee experience platforms and systems
- align talent acquisition and workforce planning strategies in ways that maximize organizational effectiveness
- optimize recruiting & hiring processes to eliminate bias and subjectivity and contribute to culture transformation
- increase collaboration & productivity of team members
- become a data-driven strategic partner to the business

### **Reminder:**

As your company grows, it's key is to implement solutions into your tech stack that empower the digital employee experience.

When you give attention to key areas like recruiting & hiring, learning & development, communication & collaboration, and culture management -- all things Cultureas-a-Service support -- you can start to move the needle on critical organizational objectives like employee retention, internal mobility, and innovation. You'll also be aligning culture to company strategy, and in turn, positioning the HR function more strategically than ever before.

Key Action:

Use a centralized, data-centric approach to measuring culture in order to keep a pulse on what needs to change.

With a **psychometric-based** approach to measuring and managing culture that goes well beyond the qualitative data of engagement survey point solutions, you can identify your current culture and compare against a target culture by highlighting adaptations to be made. With tools that support better collaboration, remote working, and culture mapping, you'll have all the data you need to address issues in real-time, provide your team with the communication insights needed to collaborate, and drive changes that optimize organizational effectiveness.

# CONCLUSION

Nearly **50% of employees** claim that culture was the main reason for their job search (Hays). So while quality talent can give your company a competitive edge, to attract and keep those hires or risk losing them to competitors, your business needs an effective and comprehensive HR technology stack – one that takes Culture-as-a-Service into account.

**79%** 

of American workers say company culture is an important job satisfaction factor (Source: Speakap)

**50%** 

of employees voluntarily leave in the first two years of employment because of culture (Source: Manila Recruitment) In the early days of personnel management, HR was mostly about maintaining employee records and ensuring businesses were in compliance. Today, human resources is recognized as a strategic business function with a range of responsibilities including recruiting, onboarding, talent management & training, succession planning, culture management, engagement and retention, and more.

Cutting-edge tools are rapidly evolving—and reshaping how HR is done from people analytics to recognition, recruitment, and culture building. So to be able to achieve any of your people-centric goals, you must think about your 'culture stack' just as often as you think about your organization's broader tech stack. Building the right stack requires you to analyze your organization's size and current HR processes, as well as have a strategic understanding of HR technologies on the market.

We can help. To move beyond an average HR tech stack to one that includes Culture-as-a-Service, <u>contact us</u>.

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#### LET US HELP!

Humantelligence is the leading cloud-based platform for the accurate measurement of culture at every level of an organization, from individuals and teams to overall corporate culture. HT has the quickest, most comprehensive self-assessment that measures behaviors, motivators, and work energizers so that leaders have the culture and talent intelligence needed to measure, manage, and hire for fit, optimize collaboration while reducing turnover, and build engaged high-performing teams across the organization. For a consultation, contact us at www.humantelligence.com.