Software Advice BuyerView: Human Resources Software Report

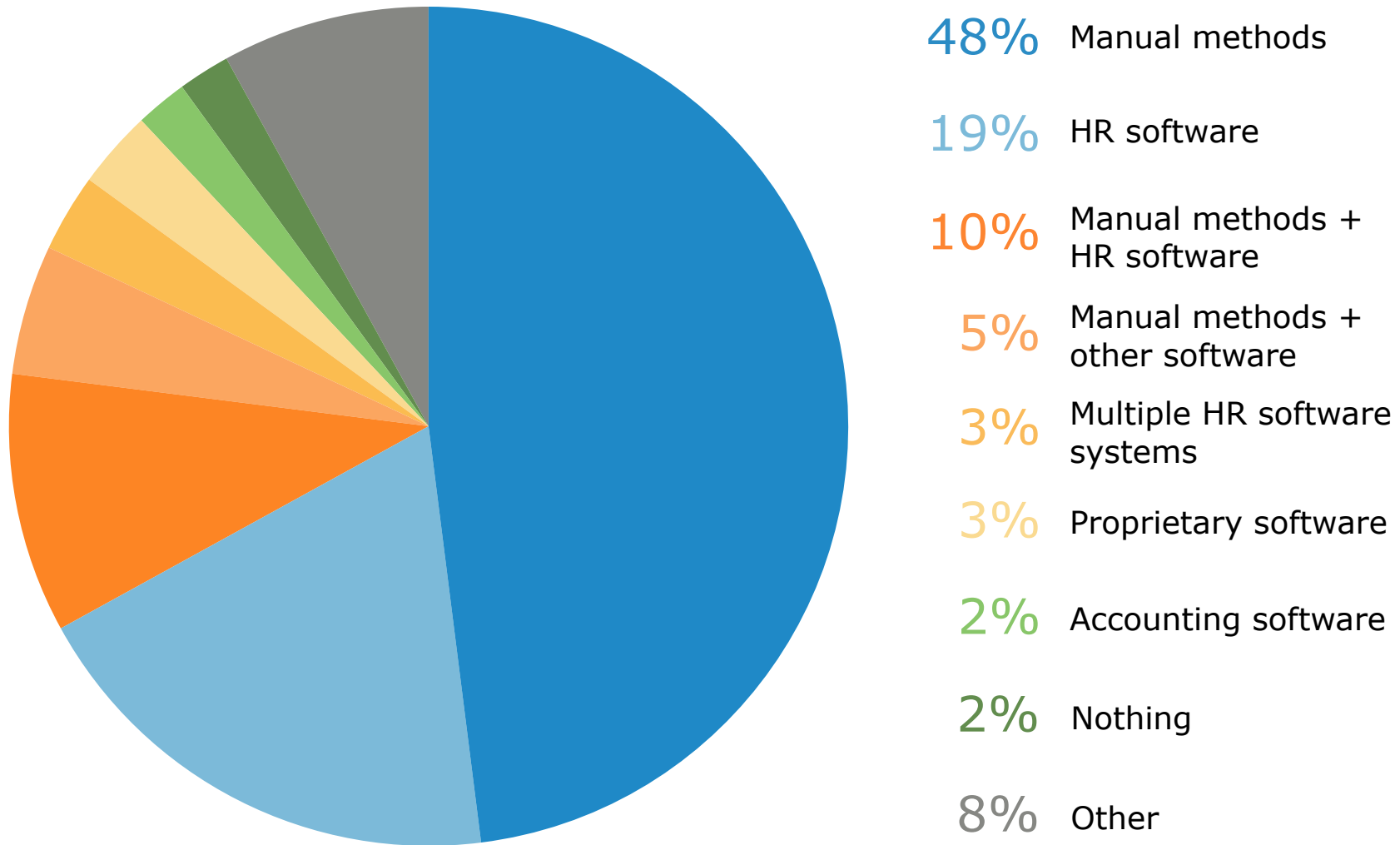Insight into today's software buyer

Software Advice™

Abstract

Every year, Software Advice talks with thousands of buyers looking for new human resources (HR) software. Interacting with these prospective buyers provides us with valuable insight into the HR market and the emerging trends within it. We looked at a random selection of 210 of these interactions to discover common pain points and reasons for purchasing new software.

Some key findings:

- Nearly half (48 percent) of buyers currently use manual methods, such as pen and paper or spreadsheets, to handle their HR needs, while 32 percent use dedicated HR software.

- Buyers relying on manual methods are seeking a new system in order to improve organization (44 percent) and automation (22 percent) of HR processes, while current software users want a system with more functionality (35 percent).

- The most commonly requested functionality among buyers in our sample are core personnel tracking capabilities (45 percent) and recruiting functionality (30 percent).
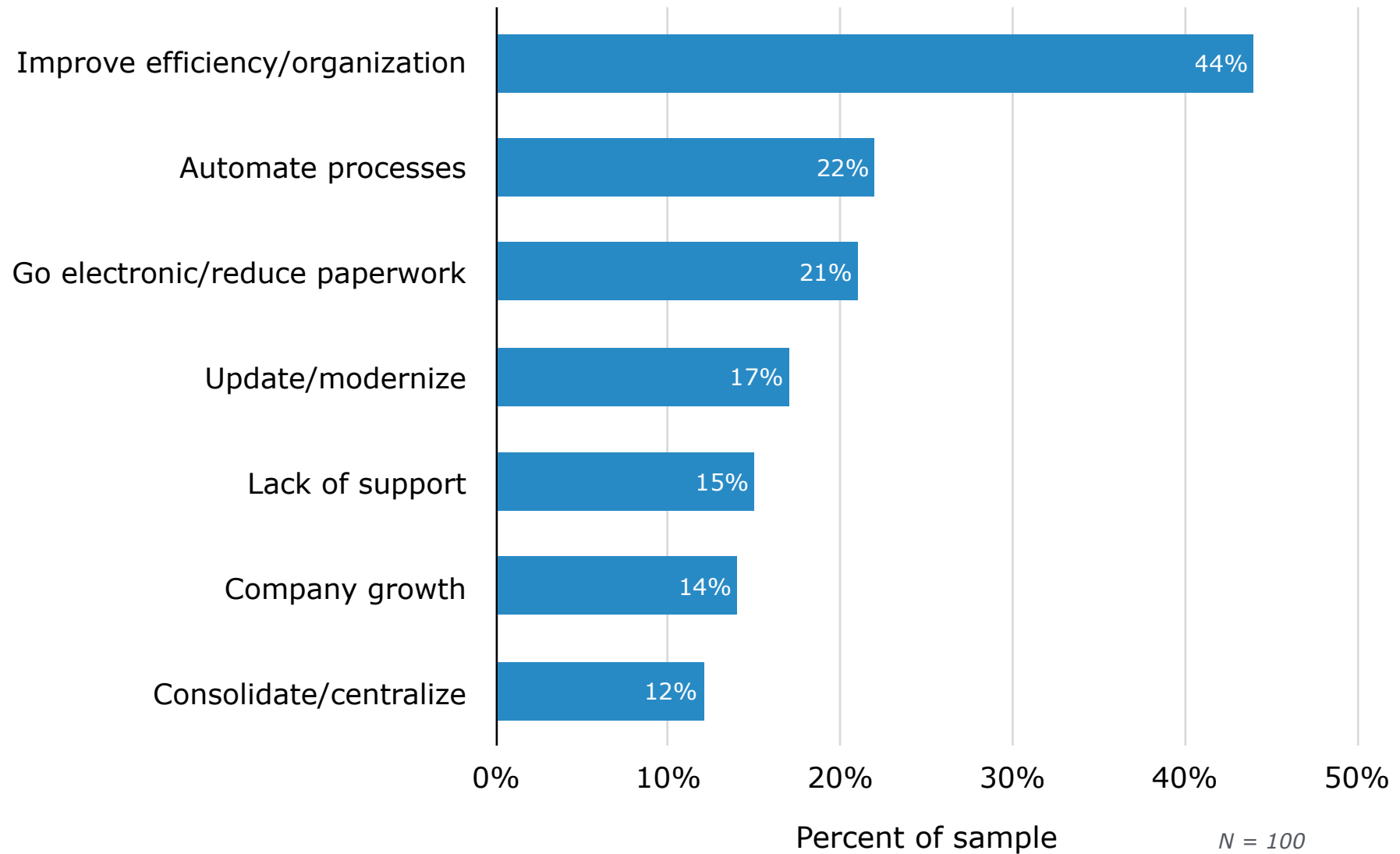
Buyers Most Often Rely Solely On Manual Methods

|	
48%	Manual methods
19%	HR software
10%	Manual methods + HR software
5%	Manual methods + other software
3%	Multiple HR software systems
3%	Proprietary software
2%	Accounting software
2%	Nothing
8%	Other

N = 210

Manually entering data can be time-consuming, error-prone and a security issue if employees' sensitive information is not properly protected.

Manual Methods Users Want Efficiency, Automation

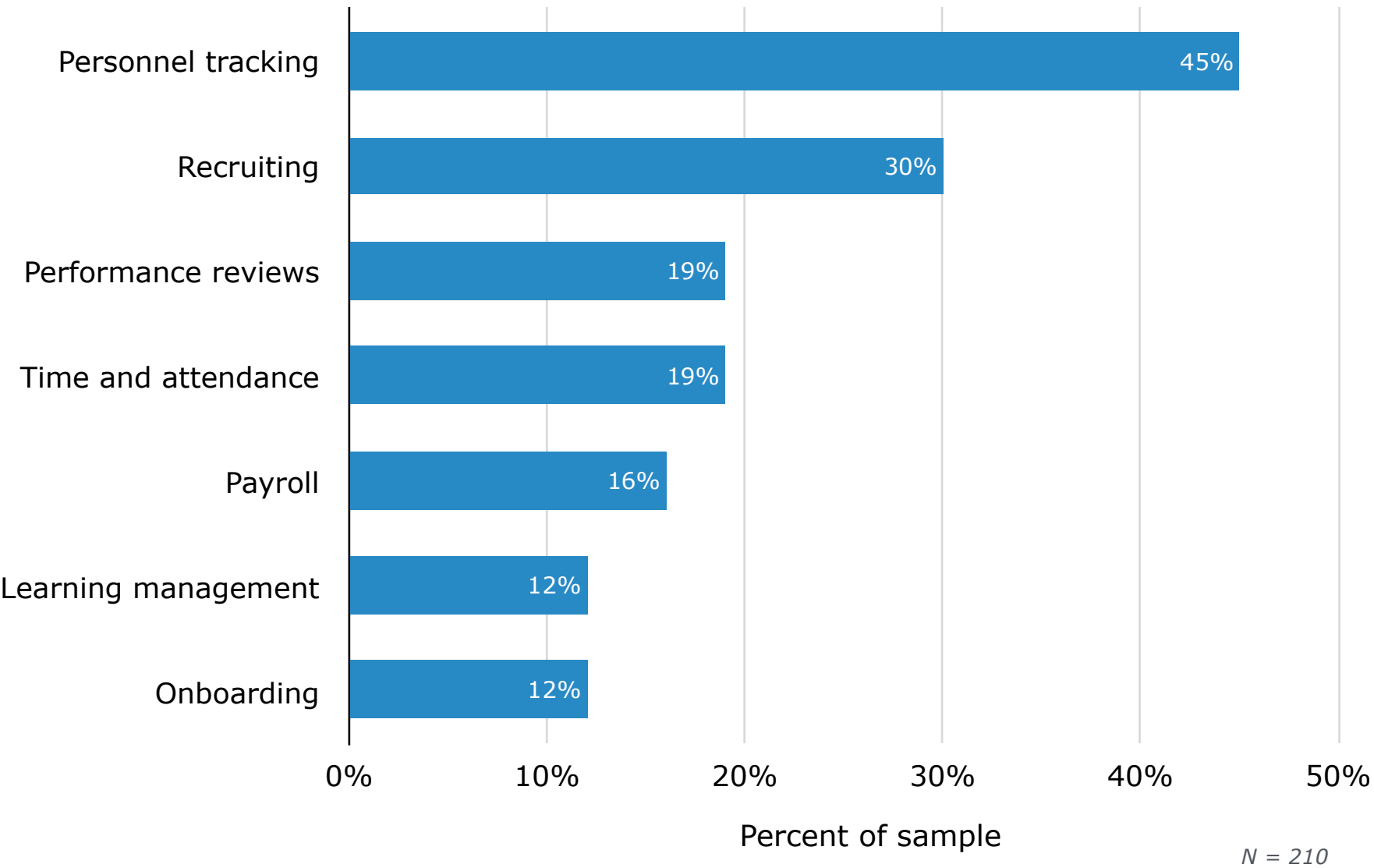| Category	Percent
Improve efficiency/organization	44%
Automate processes	22%
Go electronic/reduce paperwork	21%
Update/modernize	17%
Lack of support	15%
Company growth	14%
Consolidate/centralize	12%

Percent of sample

N = 100

HR World estimates that up to 80 percent of an HR department's time is spent on administration. Software can provide immediate gains in efficiency and automation.

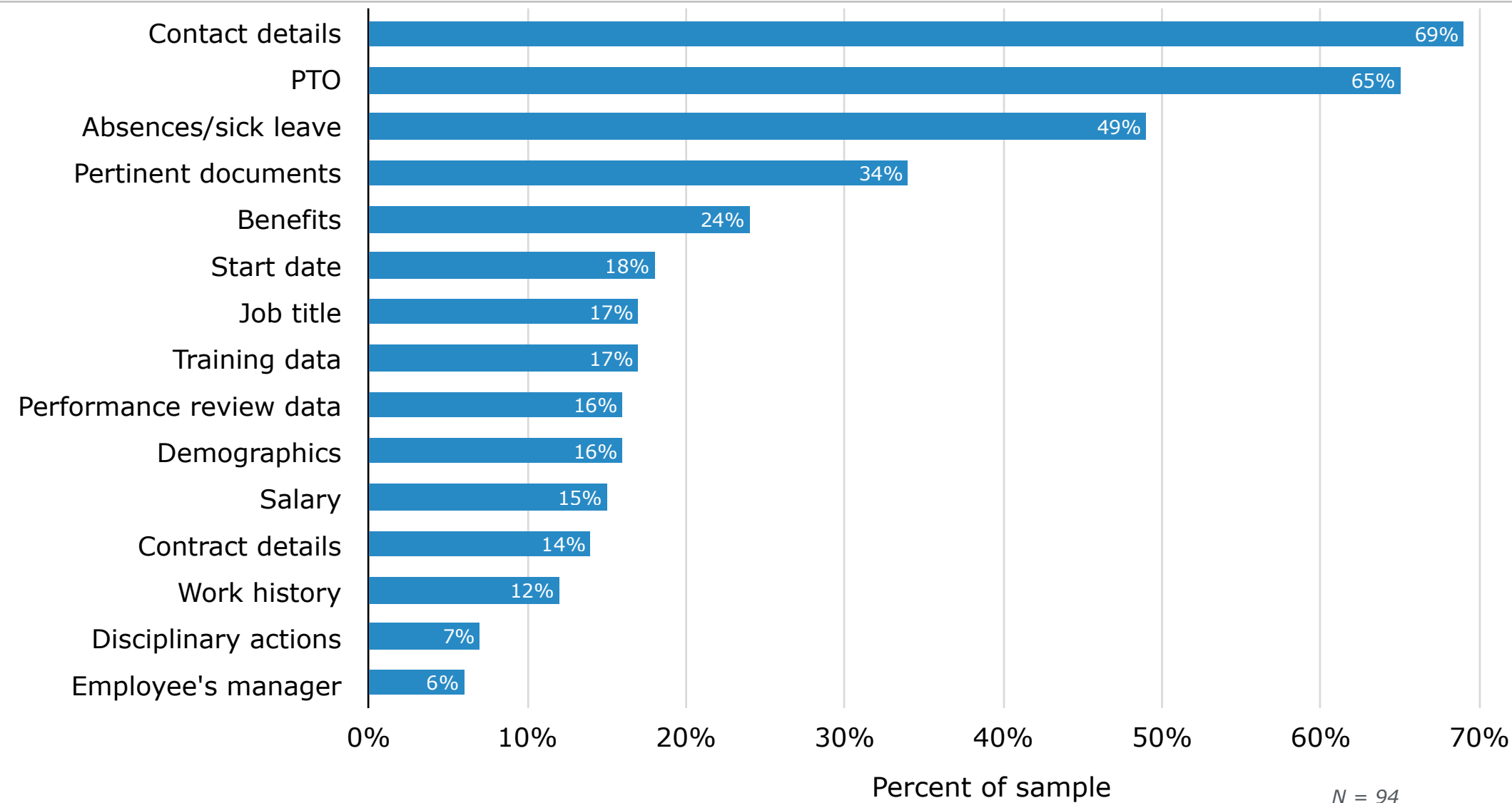# Business Software Users Want More Functionality
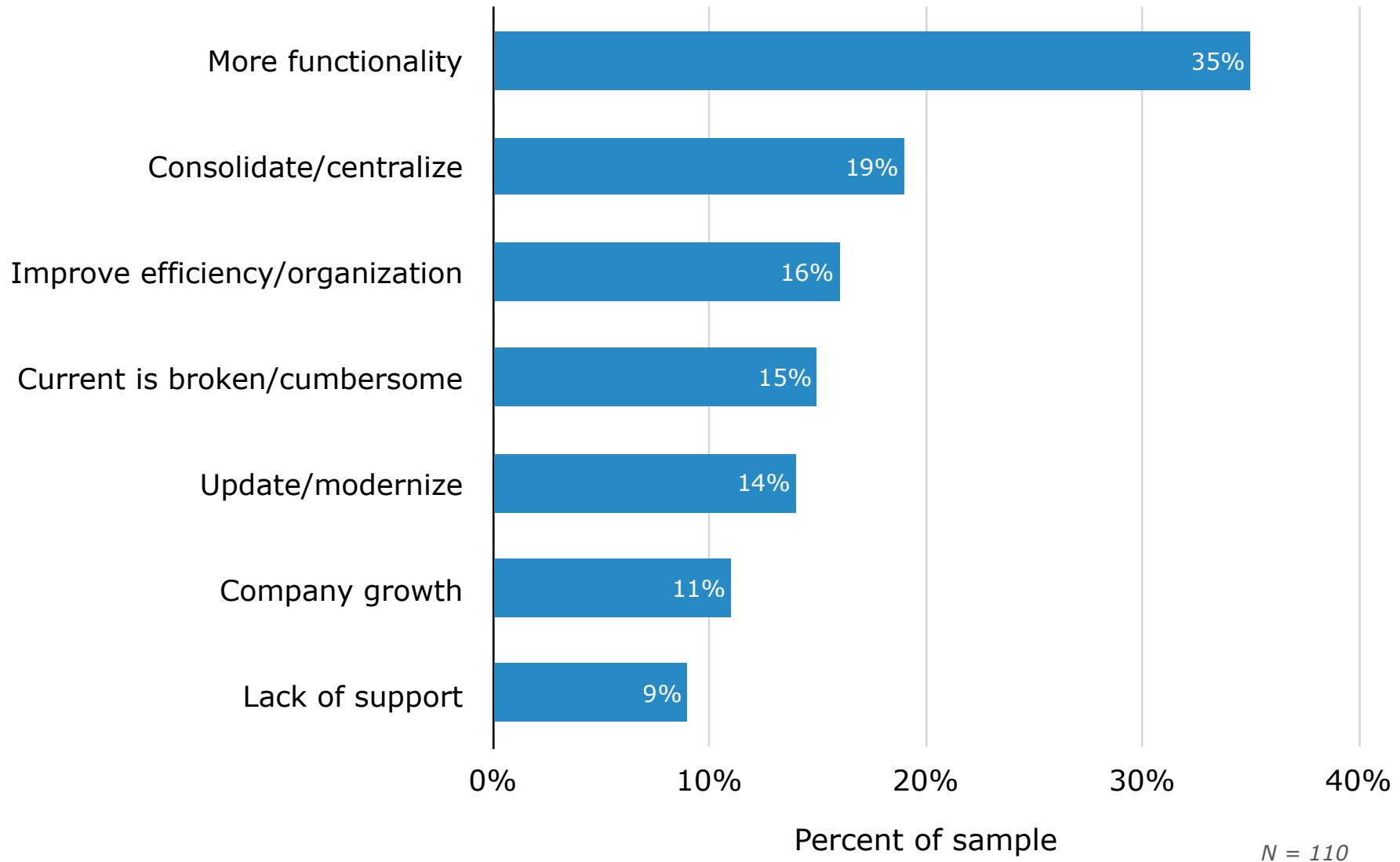
These buyers want more functionality and to consolidate or centralize all of their disparate systems and data.

Buyers Primarily Seek Personnel Tracking or Recruiting Functionality

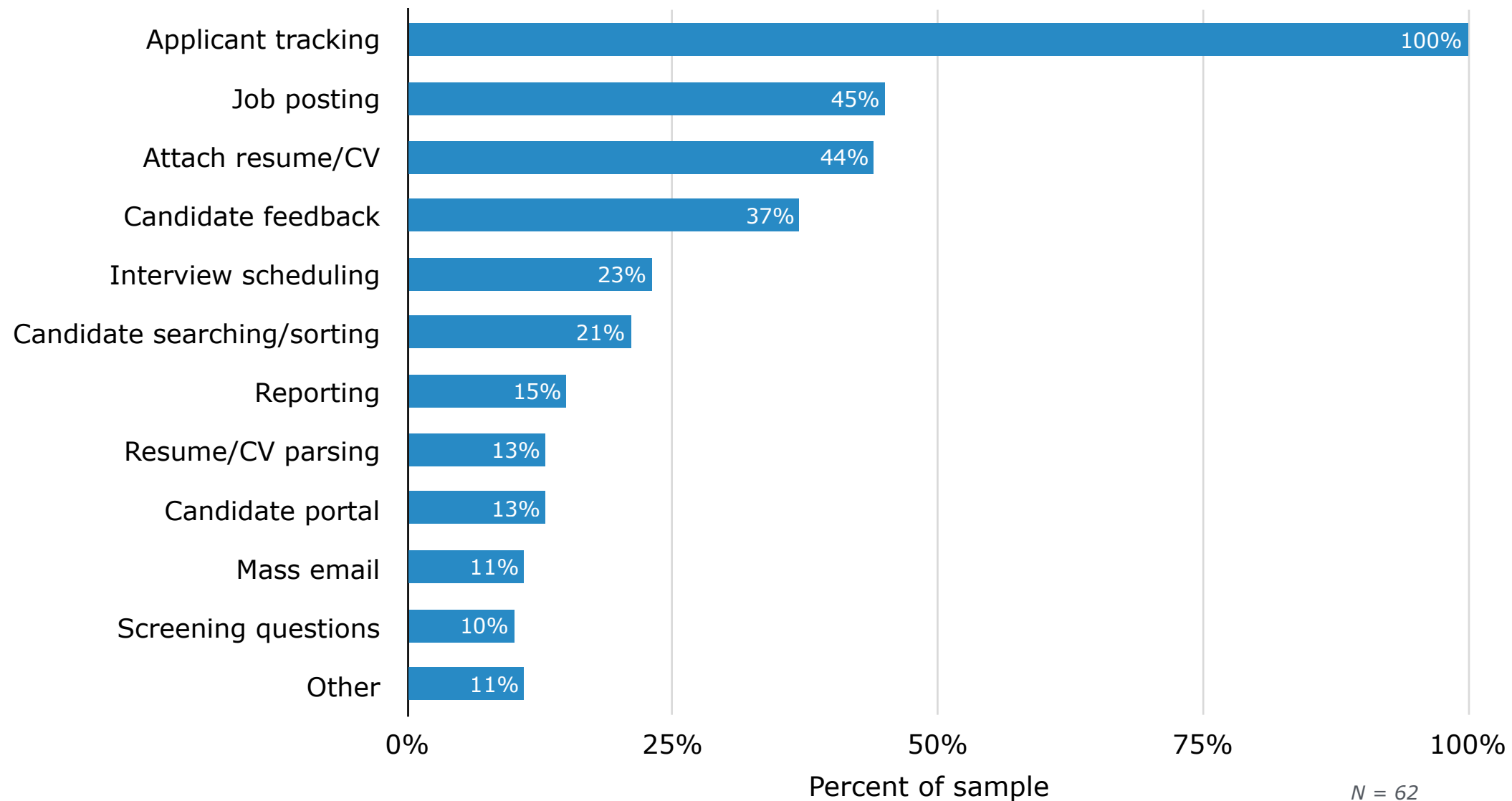| Category	Percent
Personnel tracking	45%
Recruiting	30%
Performance reviews	19%
Time and attendance	19%
Payroll	16%
Learning management	12%
Onboarding	12%

Percent of sample

N = 210

Personnel tracking functionality allows HR departments to create comprehensive profiles of each employee to track and store relevant information and documents.

HR Departments Want to Track Contact Details, PTO

Category	Percent
Contact details	69%
PTO	65%
Absences/sick leave	49%
Pertinent documents	34%
Benefits	24%
Start date	18%
Job title	17%
Training data	17%
Performance review data	16%
Demographics	16%
Salary	15%
Contract details	14%
Work history	12%
Disciplinary actions	7%
Employee's manager	6%

Percent of sample

N = 94

According to the SHRM Foundation, the total cost of paid time off (PTO) can be as high as 38 percent of payroll, so companies are encouraged to track this accurately.

In Recruiting, Buyers Want to Track Applicants and Post Jobs

Category	Percent
Applicant tracking	100%
Job posting	45%
Attach resume/CV	44%
Candidate feedback	37%
Interview scheduling	23%
Candidate searching/sorting	21%
Reporting	15%
Resume/CV parsing	13%
Candidate portal	13%
Mass email	11%
Screening questions	10%
Other	11%

Percent of sample

N = 62

Completing comprehensive applicant profiles with information like contact details, resume and notes can help recruiters quickly create a talent shortlist.

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