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Research Report

HR Trends: Unblocking HR Teams from Outdated Processes

A statistical review of HR technology trends, challenges and solutions

Manual processes are holding HR teams back

Human resources functions are the backbone of the modern organization. Any business that wants to attract the best talent, keep them happy and optimize their productivity needs to have efficient and productive HR processes. Cloud-based technology can be an incredible tool to streamline HR work and allow teams to be more productive, even with an increasing number of remote workers.

Our research in this report is a snapshot of the HR teams at the turn of the decade, including the technology in use now and predictions about how the industry is expected to change. Inside, you'll be presented with information about the priorities and challenges for modern HR professionals, as well as some of the strategies they've adopted as they make their digital transformation. Here's a summary of some of the key findings:

HR priorities don't match up to HR realities

When asked to identify the activities that matter the most to their job function, HR professionals resoundingly identify hiring and employee benefits as their top priorities. However, the same respondents report spending far more time on operations and logistical work.

HR's workflow is blocked by manual processes

The biggest obstacles for HR teams are manual work processes, including hours spent on repetitive document generation for hiring and termination. These inefficiencies not only introduce new costs and new room for human error, they also take the team's focus off more pressing tasks. As HR teams manage more remote employees, manual processes become increasingly problematic

HR teams aren't maximizing the value of tech investments

HR teams identify as early adopters who will readily invest in new technology to modernize workflows. However, these teams also acknowledge that they are missing out on the full potential of their current technology stack. Only a small fraction of respondents reports utilizing 75% or more of the value of their current technology.

HR automation is dropping off after the hiring process

Innovative HR teams are seeing the potential to automate some of the most labor-intensive manual processes, but their efforts often decrease significantly after a hire moves from prospect to employee. Automating productivity-enhancing activities, career planning and other benefit milestones is an opportunity for HR teams to increase employee satisfaction and retain talent.

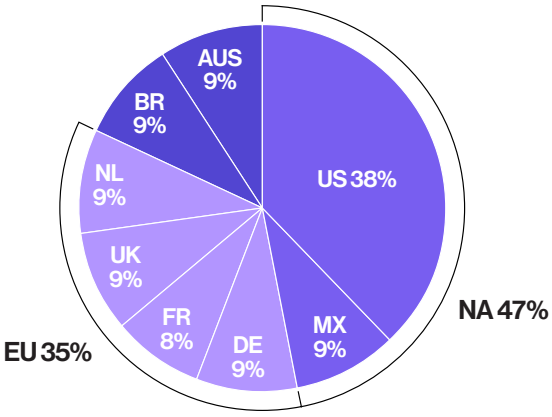
This report contains the full results of our survey as well as some strategies to accelerate HR's digital transformation and move past existing blockers to a more efficient system of agreement.

Methodology and participant demographics

For this HR Trends report, we surveyed over 808 key decision makers and influencers in HR functions across the world. The survey was conducted in late 2019 and early 2020. Participants came from eight countries in four continents and represented a mixed sample of industries, titles and organization size. The survey included approximately 40 questions about job responsibilities, workplace technology, industry trends and more.

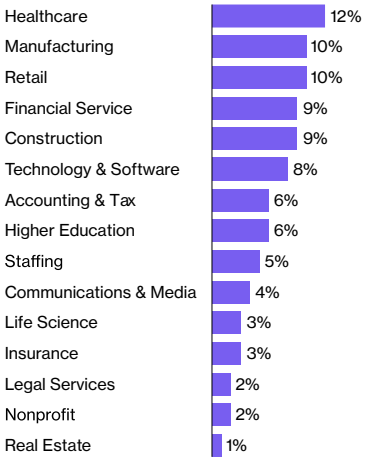
Nearly half of this year's survey participants were from North America (47%), with Europe (35%) as the second largest continent sample.

The companies in our survey represent a healthy blend of industries – led by healthcare (12%), manufacturing (10%) and retail (10%) – and seniority – led by directors (29%) and senior managers (22%).

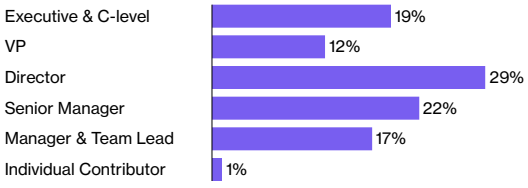


While the plurality of our survey respondents came from enterprise companies with at least 501 employees (46%), their HR teams tended to be small, with 45% reporting functions of 10 employees or fewer.

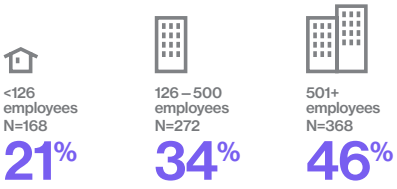
Industries



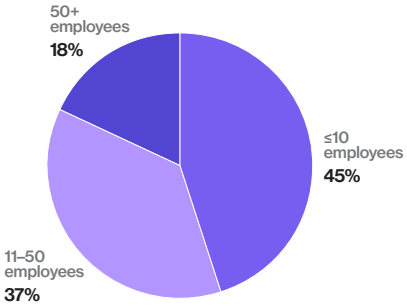
Roles



Company Size



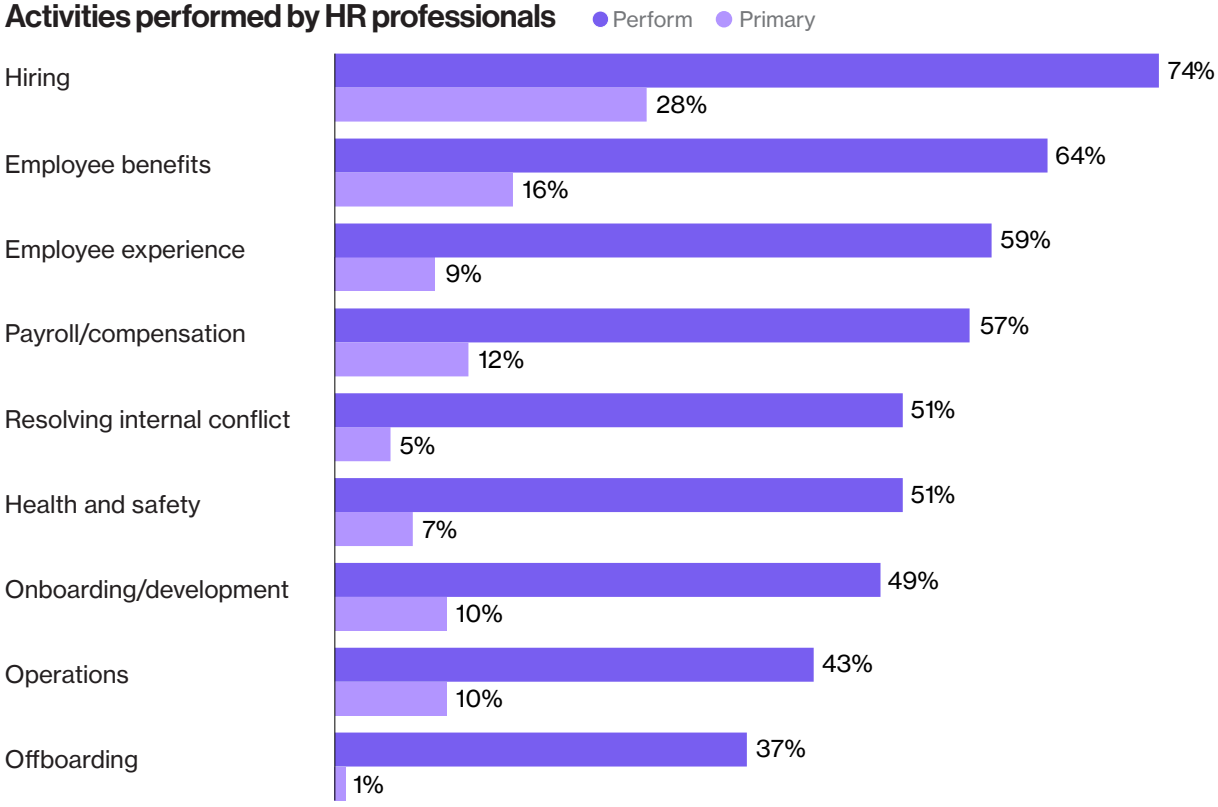
HR Dept. Size



HR priorities don't match up to HR realities

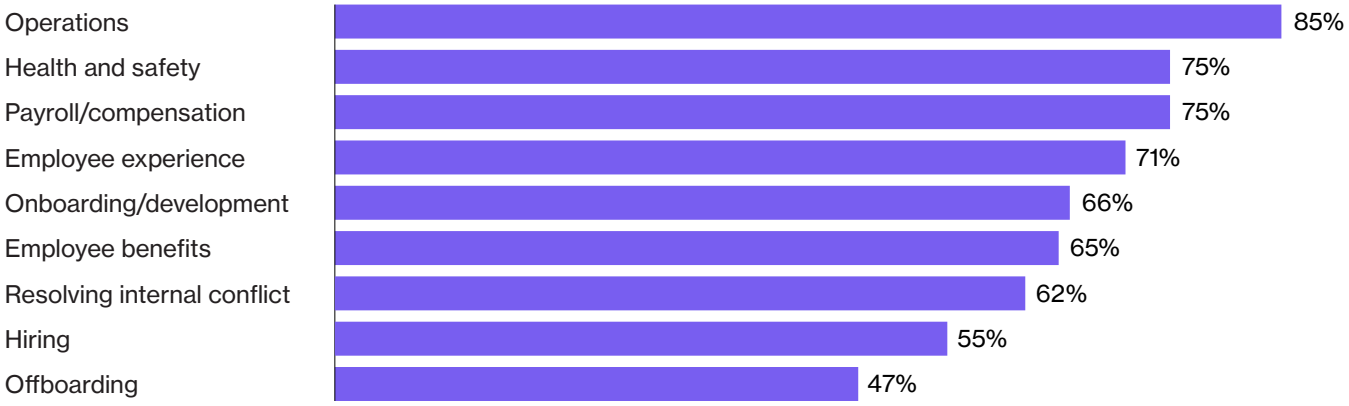
By a large margin, survey respondents identify hiring as the most important aspect of their role. Hiring is both the most widely performed activity (74% of respondents) and the function most likely to be identified as respondents' primary responsibility. At 28%, hiring is as likely to be the primary job function as the next two activities—employee benefits (16%) and payroll/compensation (12%)—combined.

Activities performed by HR professionals



Despite the importance of hiring and employee benefits, HR professionals are spending far more of their time on other activities. On a weekly basis, our respondents are performing operations (85%), health/safety (75%) and payroll/compensation (75%) tasks far more often than they are attending to their hiring (55%) and employee benefits (65%) responsibilities. Of the nine activities listed in our survey, hiring comes in eighth in terms of the activities that respondents are performing in a given week.

Frequency of HR activity performance



Current HR related challenges

41%
Attracting, retaining and developing talent

38%
Reducing costs

35%
Adopting new technologies

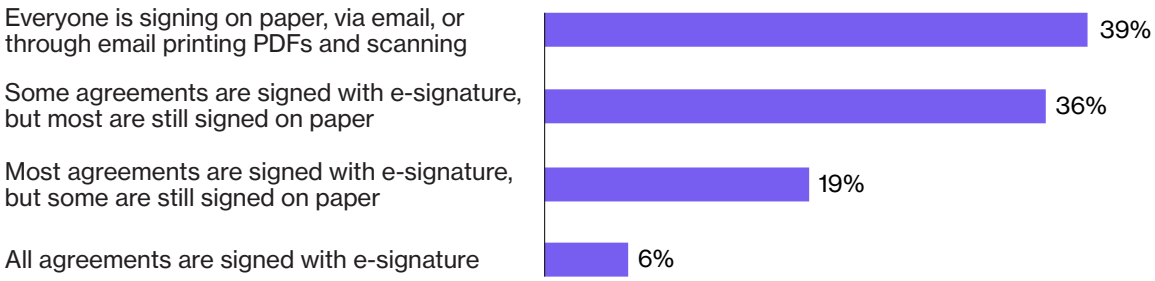
HR's workflow is blocked by manual work processes

Today's HR teams aren't able to devote time and resources to the tasks that they see as priorities. What's blocking them? Our respondents indicate that they don't have sufficient time to do their necessary tasks (26%) or access to necessary resources (25%). **The single biggest obstacle is repetitive document generation (29%)** for agreements such as job offers and termination letters.

Barriers to HR success

Pressing further into complications with document generation, 75% of respondents still manage all or most of their agreements on paper rather than digitally. In fact, only 6% of respondents are currently using e-signature technology for all agreement paperwork.

Current agreement process



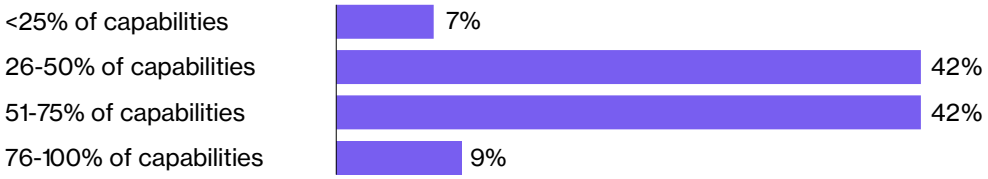
There's an undeniable connection between HR teams that still utilize ink-and-paper agreements and those that report not having enough time to perform their priority tasks because of insufficient resources and repetitive document generation. Even though moving to an all-digital process would solve the common barriers to HR success, respondents in our survey reported running into common obstacles during their transitions. Standing in the way of that digital evolution are cost/budget constraints (27%) and time to research, buy and implement new solutions (30%).

Barriers to digitizing HR processes

HR teams aren't getting the most out of technology investments

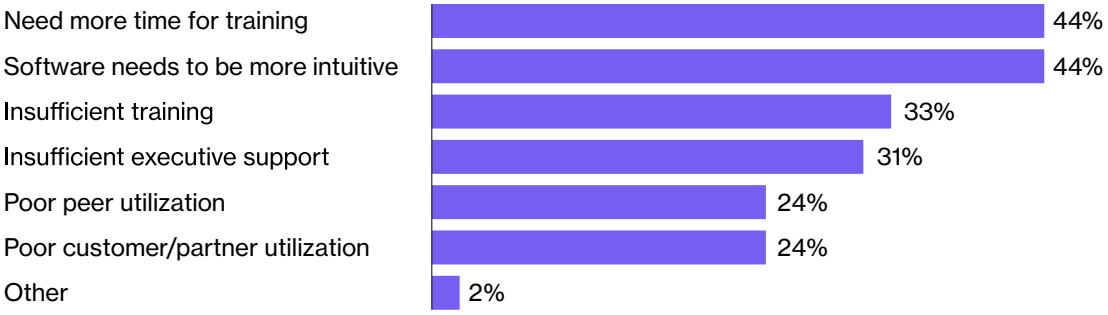
Respondents in our survey are attempting to overcome technology hurdles by investing in software tools, but their efforts so far have produced mixed results. HR teams are seeing the potential of new software in their workflow—they've invested in it, after all—they just aren't figuring out the right way to make the most of those tools yet. Only 9% of HR teams are utilizing more than 75% of their software's total capabilities and a huge majority are stuck in the middle quartiles of capitalizing on technology investments.

Optimization of current HR technology



With 84% of respondents benefitting from a moderate amount of their complex software's total potential, there has to be an explanation about what's standing in the way of HR's success with technology. The respondents identify two clear areas to improve: additional time for technology training (44%) and more intuitive software (44%).

Barriers to optimizing HR technology



Digging deeper into current issues with HR technology yields a clear top challenge (integration with other systems at 36%) and a series of equally challenging issues related to software shortcomings, complexity and ease of use.

Challenges with HR technology

Technology currently used by the HR team

56% Human Resource Management System(HRMS/HRIMS)

37% Customer Relationship Management System(CRM)

35% Benefits management

Enterprise Resource Planning System(ERP)

33% Application Tracking Software(ATS)

32% Employee performance solutions(e.g. testing/ monitoring)

28% Expense management

24% Employee engagement tools

23% Learning and development system

22% E-signature software

20% Talent management

14% Artificial intelligence

12% Machine learning

6% Blockchain

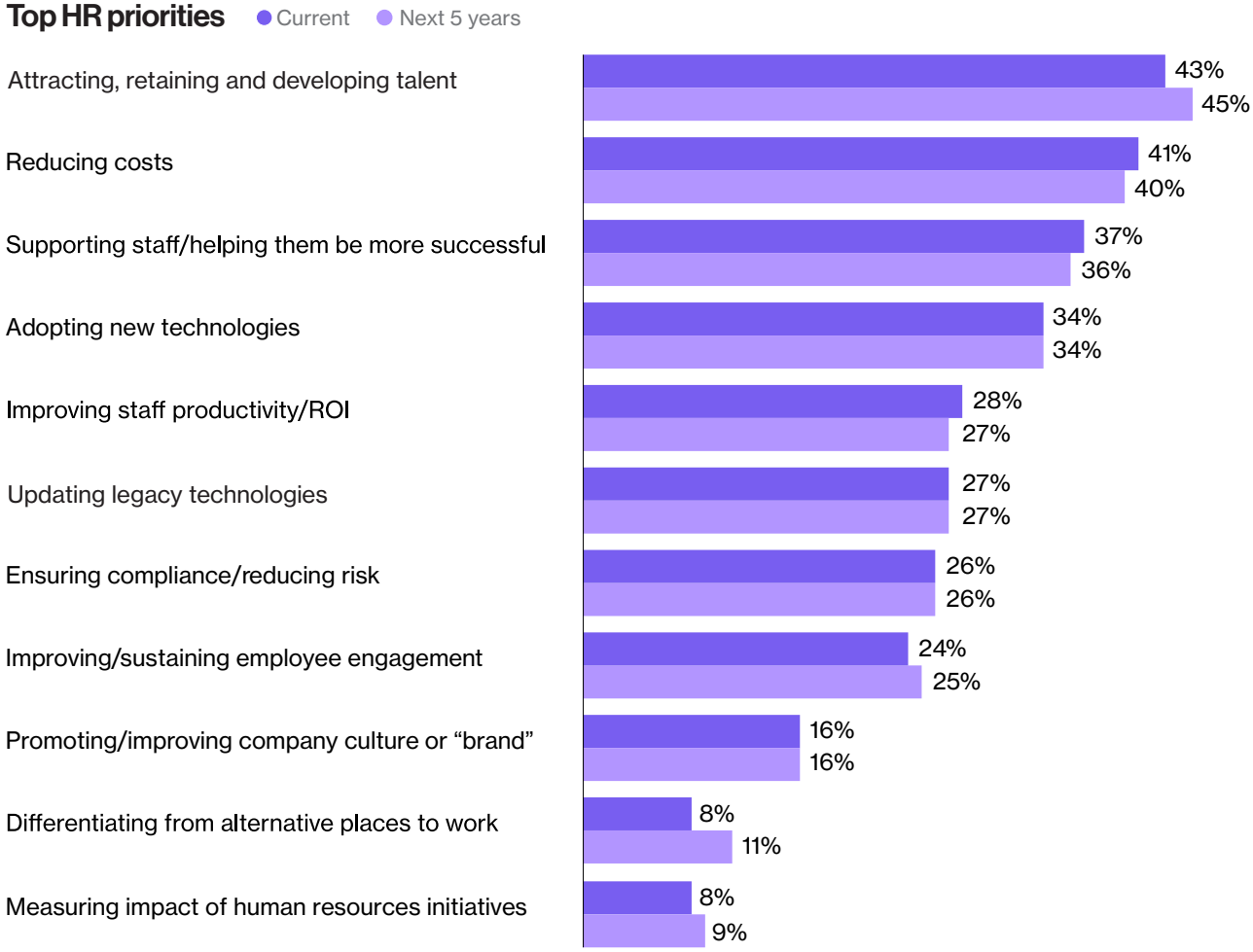
2% None of the above

Predicting the future of HR responsibilities and technology

Several questions in our survey asked respondents to compare the HR industry today to a point five years in the future. In that timeframe, HR professionals universally indicate that they don't expect a lot of change for either their specific team or the field in general.

It's important to note that our survey was conducted before the COVID-19 pandemic. While we can't accurately gauge how teams have responded to the demands of the new business landscape, it will be interesting to revisit these results in our next survey and see how workflows and respondents have changed.

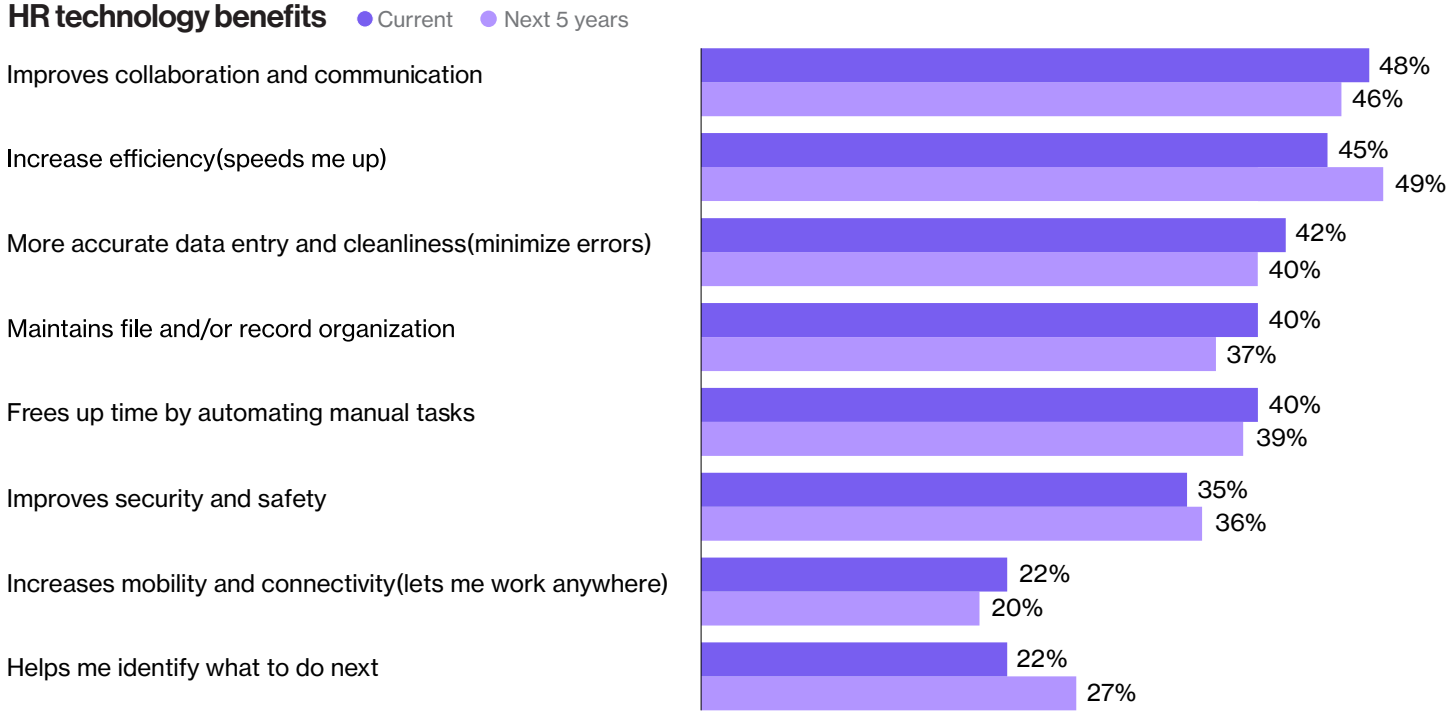
Top HR priorities



Our respondents here echo the landscape described earlier in this report. Five years from now, HR professionals expect to be executing almost exactly the same mix of responsibilities as their current day-to-day work. They also expect to be utilizing their technology to receive more of the same benefits they're receiving today.

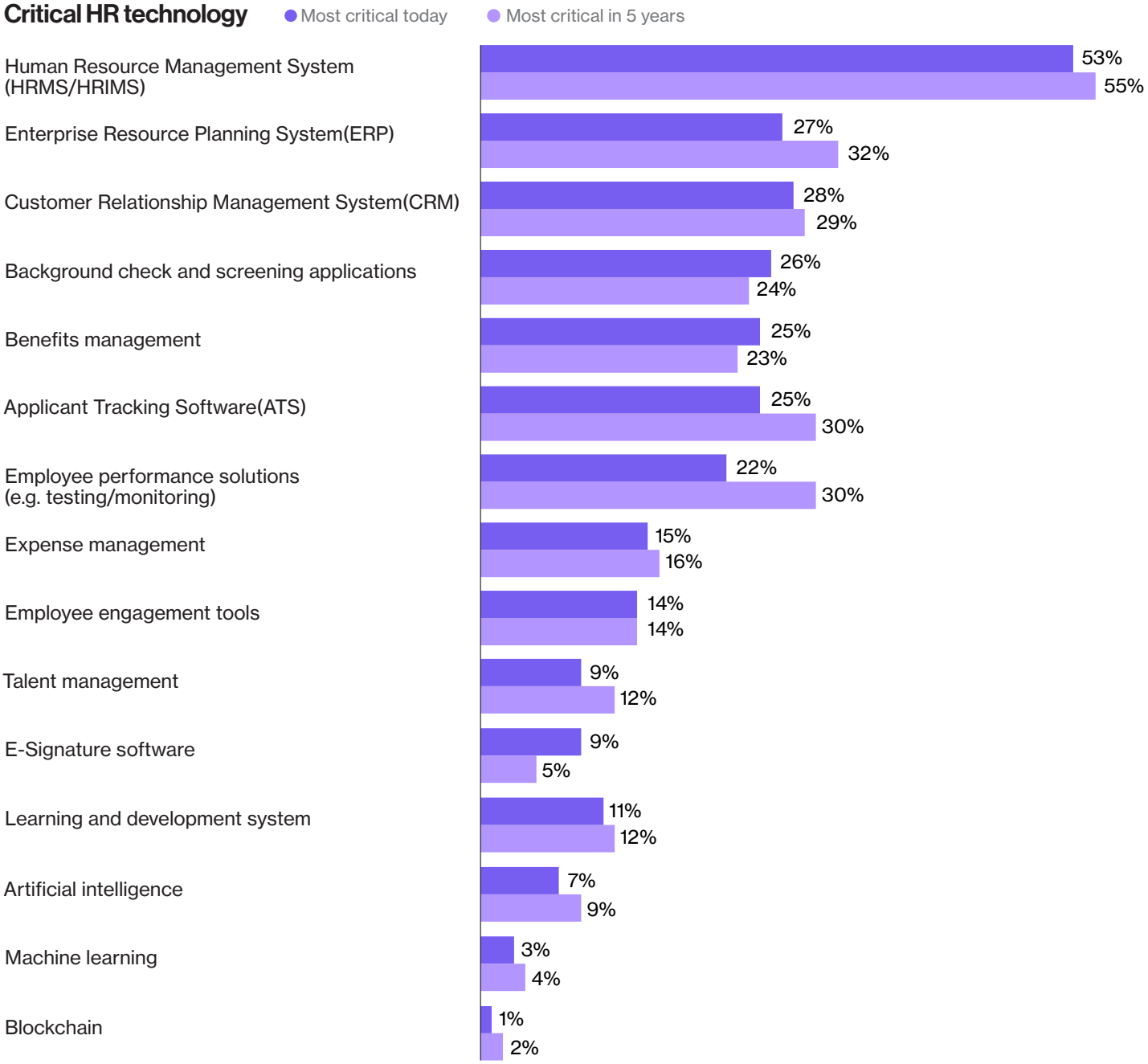
Since today's technology is only partially optimized, it's logical that HR professionals, who envision themselves having the same job priorities and the same tools five years down the road, would make investments to get more out of their technology.

HR technology benefits



One way today's teams are trying to address the technology gap is by investing in a human resources management system (HRMS) and integrating it with other software. More than half of respondents identified the HRMS solution as the most important part of their technology toolkit both today and five years into the future. That number is almost twice as high as any other technology in both timeframes.

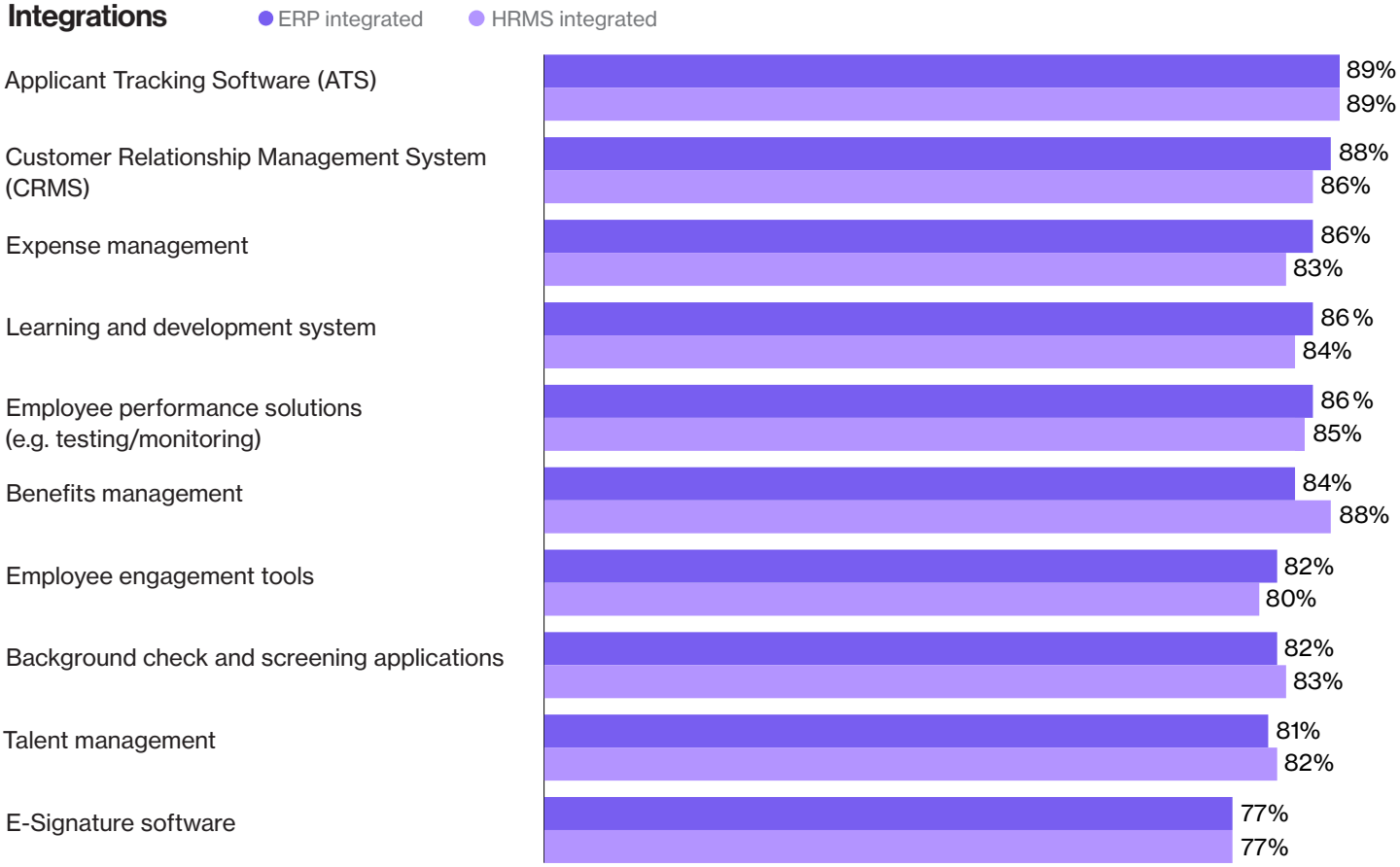
Critical HR technology



Improvement through integration

Today's HR teams are setting the stage for technology success by integrating their Enterprise Resource Planning (ERP) and Human Resources Management System (HRMS) with other tools. With both tools, respondents are quick to integrate with applicant tracking software and customer relationship management tools, but slower to connect to talent management and e-signature software.

Integrations

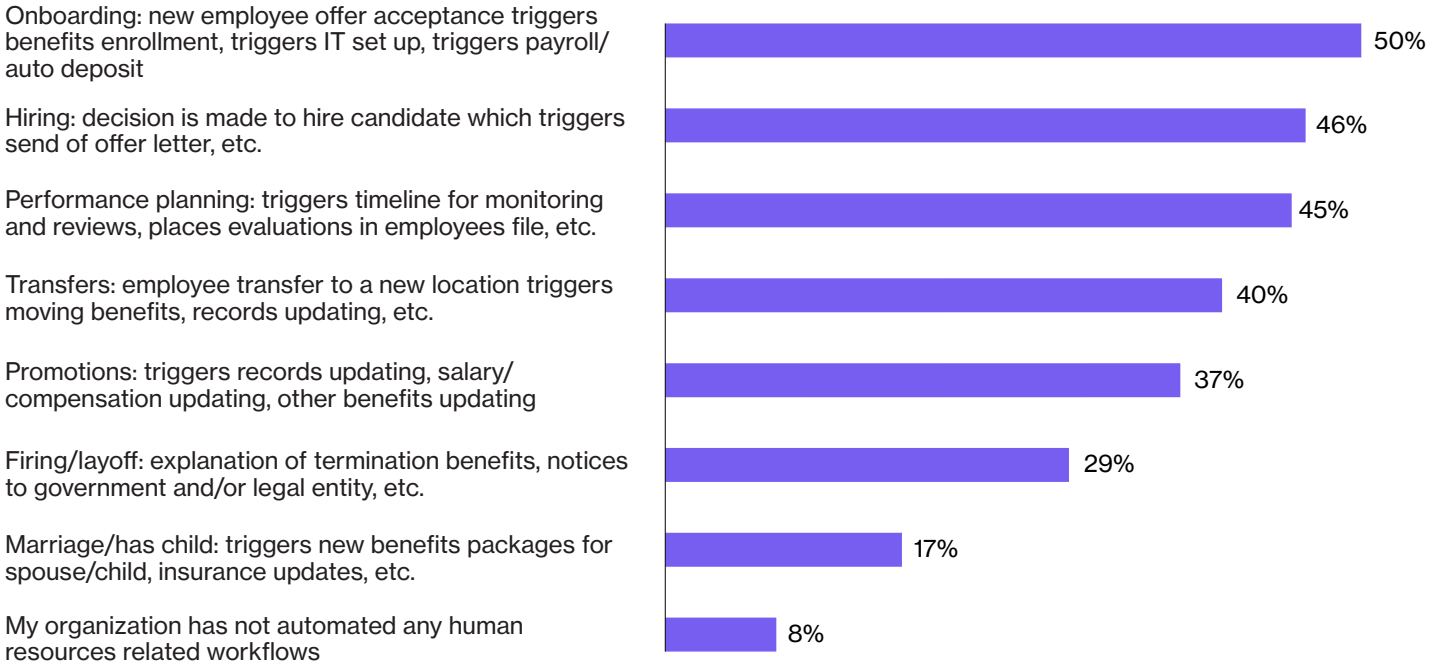


Production through automation

Another easy way to incorporate technology into any workflow is with the use of automations. They make processes move faster while eliminating room for manual error or rework. Today's HR teams have started to incorporate automations into their processes, but there's still work to be done.

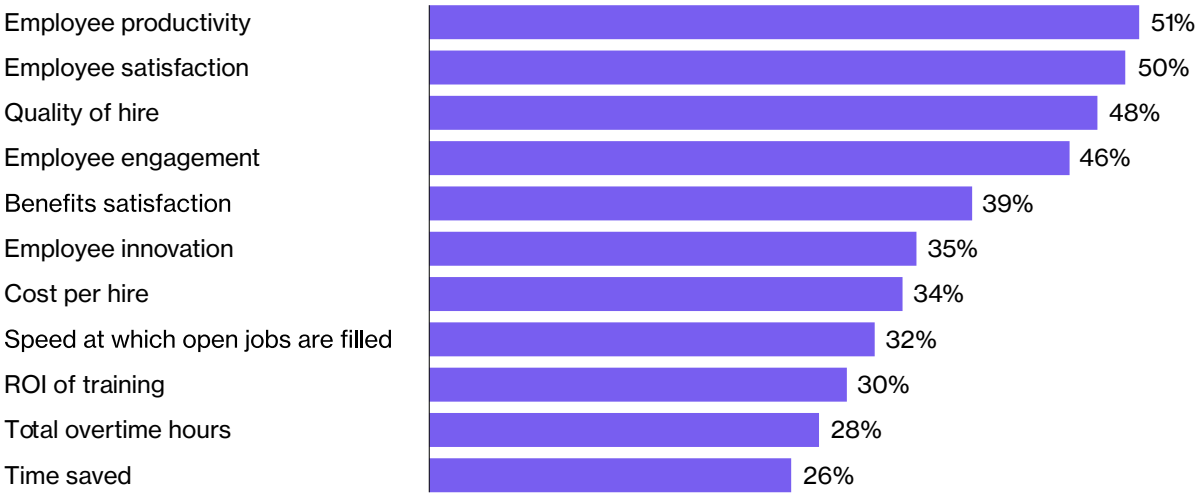
When it comes to hiring and onboarding new employees, around half of the respondents in our survey are using automations to streamline HR activities. However, the use of automation drops off as the employee journey matures from hiring to career success and retention activities. Fewer than one-fifth of respondents have automations in place to manage important life events that occur during an employee's tenure and fewer than one-third automate employee exits.

Automation throughout the employee lifecycle



Despite the efforts made to increase automations at the beginning of an employee's tenure at an organization, today's HR teams are still being measured primarily by the productivity and satisfaction of employees further into their career. Of the six most common metrics used to determine HR success, only one (quality of hire) measures the initial hiring phase.

HR success metrics



Even though employee productivity and satisfaction are recognized by at least half of our respondents as important KPIs, there's still a lot of room for forward-looking HR teams to utilize automations in those areas.

Most important topics affecting HR

32%
Competitive job market

30%
Increasing time savings/efficiency

27%
Technological relevance to attract talent (i.e. millenials/Gen Z)

25%
Technology adoption by hiring orgs

HR can lead the technology revolution

By a 4:1 ratio, respondents in our survey view themselves as strategic internal leaders, developing programs, policies and processes that blaze the trail for broader organizational success. Furthermore, nearly 7 in 10 respondents identify the HR team as a frequent adopter of new technology. These teams are always on a search for new technology that will enable organizationwide success through innovation.

At my organization, the HR team is ...

78% An integral, strategic partner in my organization's success who develops programs, policies and processes

20% An executor of programs, policies and processes for my organization's success

1% None of the above

HR technology adoption

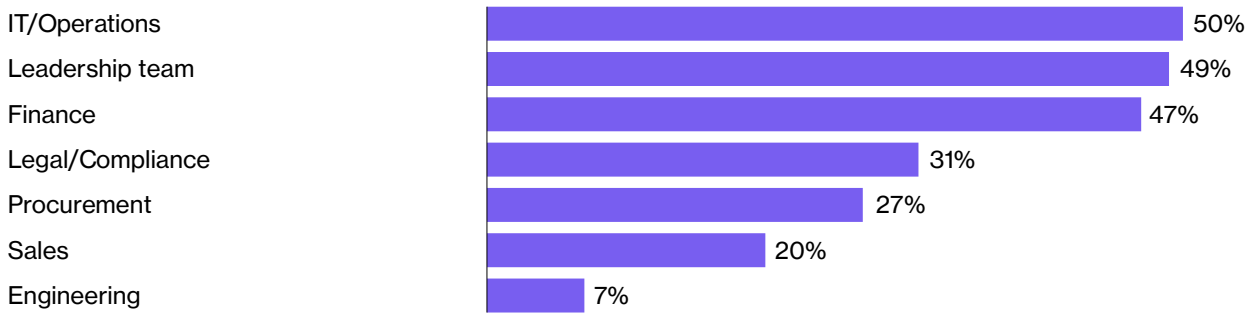
69% My department is a frequent adopter of new technologies and is always looking for ways to innovate

30% My department will occasionally investigate what's new and generally adopts new technologies only when necessary

1% My department isn't usually looking for new technologies and is slow/resistant to adopt

The final piece in the HR team's toolkit is internal relationships with leaders who will support their initiatives. These are crucial to help the team achieve their goals. Our HR professionals report the closest internal ties to IT/Operations (50%), Leadership (49%) and Finance (47%). With the need for new technology, an appetite for better utilizing existing tools and access to those teams, HR teams should be on the doorstep of broad digital advances.

Common HR collaborators



Don’t miss HR’s digital transformation

The dangers of missing out on technological improvement in HR are already apparent: more time wasted on repetitive document generation, less time spent on hiring and employee benefits work. Teams with remote workers will feel the pain of those inefficiencies even more acutely. Without technology to replace manual, error-prone processes, the gap between HR teams’ understood responsibilities and their actual labor investment will continue to expand.

Without the right HR tools in place, misallocated and underutilized resources will introduce more of the same problems that already exist in today’s landscape. These troubles create a vicious cycle for HR professionals. Without modern technology in place, it’s harder to attract the right talent and fill open positions. Without smooth integrations and automations, it will be harder to keep current employees satisfied and retained. Employee dissatisfaction will create new openings, which will be even more difficult to fill, etc.

Workers entering the workplace now expect smooth agreements with potential employers and an onboarding workflow that is optimized for any employee in any location. To attract and retain the best talent in this generation, it’s imperative that HR teams embrace the digital transformation. Those that fall behind will face a needlessly complicated battle to catch up.

The DocuSign vision for HR teams

HR teams today have priorities and responsibilities that can be addressed with modern technology, but they’re letting outdated work processes stand in the way. Our survey shows a clear desire to improve internal processes via new software, robust integrations to other business tools and additional workflow automations. At the same time, there’s also incomplete utilization of existing tools, poor technological training and too much reliance on manual, paper-based agreements.

There’s good news: all of these problems can be solved with the right tools. A fully digital system of agreement eliminates the waste, error and delay that are part of current workflows, leaving HR teams free to focus more on the important priorities. This digital transformation and increases productivity, reduces cost and gives the team more flexibility to invest employee resources on activities that create new value for the organization.

Agreements are the core elements of the relationship between an organization and its employees. A modern, digital system of agreements assists the HR team in performing each of their key responsibilities. Utilizing today’s best technology to prepare, sign, act on and manage those agreements is an easy way to ensure that an HR team – and the organization at large – are operating at maximum productivity and efficiency. It’s also a great way to increase the satisfaction of every employee, which will attract and retain top talent.

Learn more about the DocuSign Agreement Cloud for HR.

About DocuSign
DocuSign helps organizations connect and automate how they prepare, sign, act on and manage agreements. As part of the DocuSign Agreement Cloud, DocuSign offers eSignature: the world’s #1 way to sign electronically on practically any device, from almost anywhere, at any time. Today, more than 500,000 customers and hundreds of millions of users in over 180 countries use DocuSign to accelerate the process of doing business and to simplify people’s lives.

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