SHRM Research

2005 HR Technology

SURVEY REPORT

A Study by the Society for Human Resource Management

SOCIETY FOR HUMAN RESOURCE MANAGEMENT

HR: Leading People, Leading Organizations

2005 HR Technology Survey Report

Jessica Collison

Manager, Survey Program

SHRM Research

March 2005

For more information, please contact:

SHRM Research Department
1800 Duke Street, Alexandria, VA 22314, USA
Phone: (703) 548-3440 Fax: (703) 535-6432
Web: www.shrm.org/research

05-0093

2005 HR Technology Survey Report

Contents

About This Report v

About SHRM v

About the Author v

Introduction vi

Methodology vii

Key Findings viii

Survey Results 1

- Types of HR Technology Currently Used 1
- Effect of HR Technology on HR Headcount 3
- Access to HR Technology 4
- Primary Responsibility for HR Technology 6
- HR Technology 6
  - Programs and Activities Supported 6
  - Employee Self-Service 8
  - Manager Self-Service 12
- Technical Skills 13
  - Importance of Technical Skills 13
  - Level of Technical Expertise 14
  - Necessary Technical Skills 14
  - Technical Training and Development 14
- Success 16
- Obstacles and Challenges 17
- Return on Investment 20

Contents

Conclusions 21

A Look Ahead: A Future View of HR Technology 22

Demographics 23

Survey Instrument 25

SHRM Survey Reports 35

About This Report

In September and October 2004, the Society for Human Resource Management (SHRM) conducted a survey on HR technology. The survey explored the types of technology being used and how they are used; how technology affects HR; what skills HR needs to work with technology; and successes and obstacles of using and implementing technology.

The following report provides an analysis of the survey results. A copy of the survey instrument is included at the end of the report.

Throughout this report, analyses by HR professionals' organization staff size and industry are presented and discussed, when applicable. Organizations are grouped into three categories based on the number of employees at the HR professional's business location: small (1-99 employees), medium (100-499 employees) and large (500 and more employees). The health, manufacturing (durable goods), services (nonprofit) and services (profit) were industries in which there was a sufficient number of respondents to explore differences.

Conventional statistical methods were used to determine if observed differences were statistically significant (i.e., there is a small likelihood that the differences occurred by chance). Therefore, in most cases, only results that were significant are included, unless otherwise noted.

About SHRM

The Society for Human Resource Management is the world's largest association devoted to human resource management. Representing more than 190,000 individual members, the Society's mission is to serve the needs of HR professionals by providing the most essential and comprehensive resources available. As an influential voice, the Society's mission is also to advance the human resource profession to ensure that HR is recognized as an essential partner in developing and executing organizational strategy. Founded in 1948, SHRM currently has more than 500 affiliated chapters and members in more than 100 countries. Visit SHRM Online at www.shrm.org.

About the Author

Jessica Collison is manager of the SHRM Survey Program. Her responsibilities include managing the SHRM Survey Program and designing, conducting and analyzing surveys on HR-related topics. She has a graduate certificate in Survey Design and Analysis from The George Washington University.

Introduction

Technology has become ubiquitous. It allows for efficiencies both in the home and in the workplace. Similarly, technology can create efficiencies within the human resource realm by creating systems that allow for communication between employers and employees as well as secure storage of personal employee data. At the same time, those efficiencies may not be realized due to poor planning or unskilled staff.

SHRM developed this survey to explore how technology affects human resources, including how technology is used, what skills are needed to work with technology and the successes and obstacles human resource professionals have experienced with technology.

Methodology

An e-mail with the survey's Web address was sent to 2,500 randomly selected SHRM members. Of these, 2,002 were successfully delivered to respondents, and 269 HR professionals responded, yielding a response rate of 13% (the number of respondents to each question is indicated by "n" in tables and figures).

As with any research, readers should exercise caution when generalizing results. While SHRM is confident in its research, it is prudent to understand that the results presented in this survey report are only truly representative of the sample of HR professionals responding to the survey.

Key Findings

Effect of HR Technology on HR Headcount

Implementation of HR technology systems does not necessarily allow for a decrease in HR headcount. In fact, in most cases, headcount remained the same or increased since the implementation of the HR technology systems. The primary reason for an increase in HR headcount was that the organization had grown.

Access to HR Technology

The majority of respondents indicated that the HR staff has access to the employee information in the HR technology systems, followed by payroll staff and information systems/technology staff.

Primary Responsibility for HR Technology

Primary responsibility for the HR technology systems most frequently lies with HR, followed by HR and information systems/technology jointly.

HR Technology

The most frequent HR programs and activities supported by HR technology systems are basic employee demographics and employment information, payroll, HR reporting, benefits administration and employee directory.

About two-fifths of HR professionals indicated that employee self-service is provided in the HR technology systems their organizations are currently using. Less than one-third of the responding HR professionals indicated manager self-service is provided in the HR technology systems their organizations are currently using.

Technical Skills

The majority of respondents indicated that technical skills such as software and Internet literacy are important. Overall, respondents indicated there is technical expertise among the HR staff.

The majority of respondents consider database knowledge important for HR staff to have when implementing and maintaining HR technology skills. About one-half of the responding HR professionals indicated that, over the last year, HR staff members have participated in technical training and development activities such as software and/or programming classes.

Success

Slightly less than one-third of respondents indicated the systems have been extremely successful, while more than two-thirds indicated they have been somewhat successful. The top five successes are: accuracy of employee information has increased; cycle time

for processing employee information transactions has decreased; HR staff spends less time on administrative work; managers have greater access to employee information; and the HR department is able to manage the workforce with the same number of HR staff.

Obstacles and Challenges

The five most frequent expectations that HR professionals indicated were not met include the following: HR staff does not spend less time on administrative work; recruiting effectiveness has not improved; HR staff members have not been able to spend more time on strategic resource planning and leading the organization; managers do not have greater access to employee information; and employee satisfaction has not increased.

The top three obstacles that make it challenging to implement HR technology systems in organizations include budget/funding approval, resistance to change and infrastructure not being ready.

Return on Investment

Two-thirds of respondents indicated their organizations are not measuring the return on investment for the HR technology systems. Excluding those not measuring return on investment, more than two-thirds stated that return on investment for HR technology systems is measured by determining cost savings and losses.

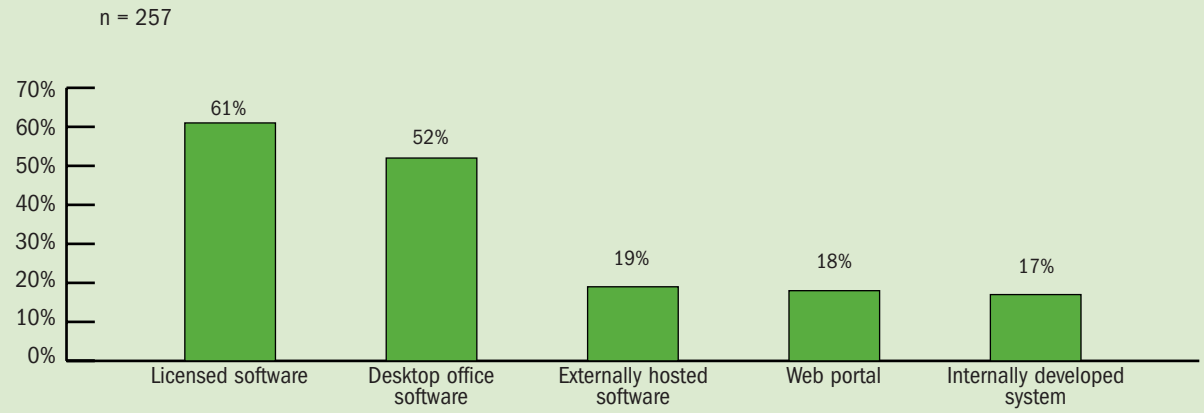
Survey Results

Types of HR Technology Currently Used

Excluding respondents who indicated no technology systems were used, more than one-half (61%) of the responding HR professionals indicated their organizations use licensed software (e.g., HR or financial software) on internal computers and networks via intranets or the Internet (other than desktop office software) to collect and maintain employee information. Less than one-fifth indicated the use of externally hosted software (19%), Web portals (18%) and internally developed systems (17%). Slightly more than one-half (52%) of the respondents indicated their organizations use desktop office software such as a spreadsheet. These data are depicted in Figure 1.

Differences in the types of systems used for collecting and maintaining employee information in terms of staff size are shown in Table 1. Organizations that are small in staff size (65%) are more likely than organizations with medium or large staff sizes (44% each) to use desktop office software for collection and maintenance of employee information. On the contrary, medium and large organizations (60% and 75%, respectively) were more likely than small organizations (33%) to

Figure 1 Types of Systems Used for Collecting and Maintaining Employee Information



Note: Excludes 6% of respondents who indicated they do not use HR technology systems but use manual/paper-based processes, as well as 2% of respondents who indicated they do not use HR technology systems because the collection and maintenance of employee data is completely outsourced. Percentages do not total 100% as multiple responses were allowed.

Source: 2005 HR Technology Survey Report

Table 1 Types of Systems Used for Collecting and Maintaining Employee Information (by Organization Staff Size)

	Small (1-99 Employees) n = 82	Medium (100-499 Employees) n = 91	Large (500 or More Employees) n = 79	Differences Based on Staff Size
Desktop office software, such as a spreadsheet (e.g., Microsoft Excel)	65%	44%	44%	Small > medium, large
Licensed software (e.g., HR, financial or ERP software) used on internal computers and networks or via intranets or the Internet (other than desktop office software)	33%	60%	75%	Small < medium, large
Externally hosted software provided by vendor (ASP, or application service provider), usually accessed over the Internet	16%	12%	29%	Large > medium
Internally developed HR technology system	11%	13%	28%	Large > small
Web portal (a "home page" on the Internet or intranet with links to company-specific information and applications)	13%	15%	23%	
None—manual/paper-based	9%	9%	1%	
None—HR technology systems used for collecting and maintaining employee information (including data entry) are completely outsourced	4%	1%	0%	

Note: Sample sizes are based on the actual number of respondents by size who answered this question using the response options provided. Percentages are column percentages and do not total 100% as multiple responses were allowed.

Source: 2005 HR Technology Survey Report

Table 2 Types of Systems Used for Collecting and Maintaining Employee Information (by Industry)

	Health n = 23	Manufacturing (Durable Goods) n = 34	Services (Nonprofit) n = 20	Services (Profit) n = 28	Differences Based on Industry
Desktop office software, such as a spreadsheet (e.g., Microsoft Excel)	70%	35%	40%	50%	
Licensed software (e.g., HR, financial or ERP software) used on internal computers and networks or via intranets or the Internet (other than desktop office software)	52%	68%	60%	36%	
Externally hosted software provided by vendor (ASP, or application service provider), usually accessed over the Internet	35%	24%	5%	21%	
Internally developed HR technology system	17%	9%	5%	21%	
Web portal (a "home page" on the Internet or intranet with links to company-specific information and applications)	9%	18%	10%	11%	
None—manual, on paper	0%	3%	25%	7%	Manufacturing (durable goods) < services (nonprofit)
None—HR technology systems used for collecting and maintaining employee information (including data entry) are completely outsourced	0%	3%	0%	0%	

Note: Sample sizes are based on the actual number of respondents by industry who answered this question using the response options provided. Percentages are column percentages and do not total 100% as multiple responses were allowed.

Source: 2005 HR Technology Survey Report

use licensed software. Large organizations (29%) were more likely than medium ones (12%) to use externally hosted software. Internally developed HR technology systems appear to be more frequently in use by large organizations (28%) compared with small (11%). It is likely that these differences are linked to monetary resources that organizations have, as it does appear that the larger organizations are more likely to use systems that have a greater cost associated with them.

Differences in the types of systems used for collecting and maintaining employee information in terms of industry are depicted in Table 2. Respondents in the durable goods manufacturing industry were less likely to indicate using manual/paper-based systems for collecting and maintaining employee information compared with respondents in the nonprofit services industry (3% compared to 25%).

Slightly more than one-half of respondents (52%) indicated their organizations implemented HR technology systems prior to 2000. Since 2000, implementation seems to have been at a steady pace with 7% to 13% of respondents indicating implementation each year from 2000 to 2004 (see Figure 2).

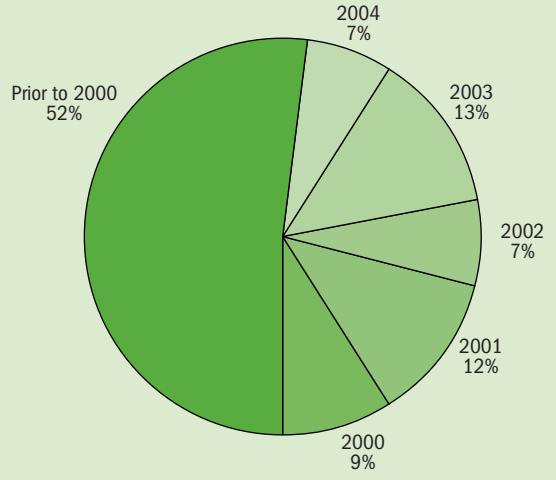
Effect of HR Technology on HR Headcount

The HR professionals who indicated implementation after 2000 were asked if their organizations' HR headcount increased, remained the same or decreased since implementation. Two-fifths of respondents (41%) indicated the HR headcount increased while another 41% indicated their HR headcount remained the same. Only 19% indicated a headcount decrease since implementation of HR technology systems. These data are depicted in Figure 3.

Table 3 illustrates that respondents in organizations with small staff sizes were more likely to state the headcount of their HR staffs had remained the same since the technology system implementation compared with respondents in organizations with large staff sizes (62% compared to 29%).

Figure 2 Year of HR Technology System Implementation

n = 186

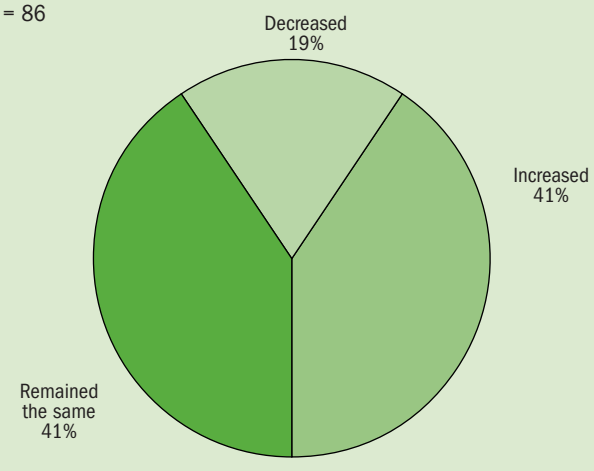


Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals.

Source: 2005 HR Technology Survey Report

Figure 3 Changes in HR Headcount Since Implementation

n = 86



Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals. Excludes four respondents who indicated they did not know about headcount movement.

Source: 2005 HR Technology Survey Report

Table 3 Headcount of HR Staff (by Organization Staff Size)

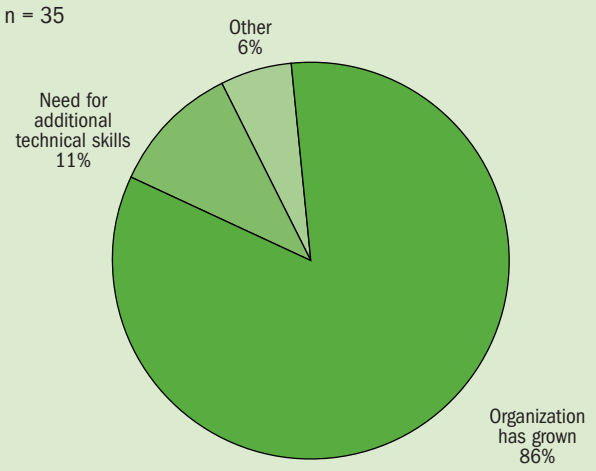
	Small (1-99 Employees) n = 82	Medium (100-499 Employees) n = 91	Large (500 or More Employees) n = 79	Differences Based on Staff Size
Increased	31%	44%	46%	
Remained the same	62%	34%	29%	Small > large
Decreased	8%	22%	25%	

Note: Sample sizes are based on the actual number of respondents by size who answered this question using the response options provided. Percentages are column percentages.

Source: 2005 HR Technology Survey Report

As depicted in Figure 4, the primary reason for an increase in HR headcount since the implementation of HR technology systems was that the organization has grown (86%). Eleven percent of respondents stated there was a need for additional technical skills, and 6% of HR professionals said there was another reason for the HR headcount increase.

Figure 4 Reasons for Headcount Increase



Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals and who indicated a headcount increase.

Source: 2005 HR Technology Survey Report

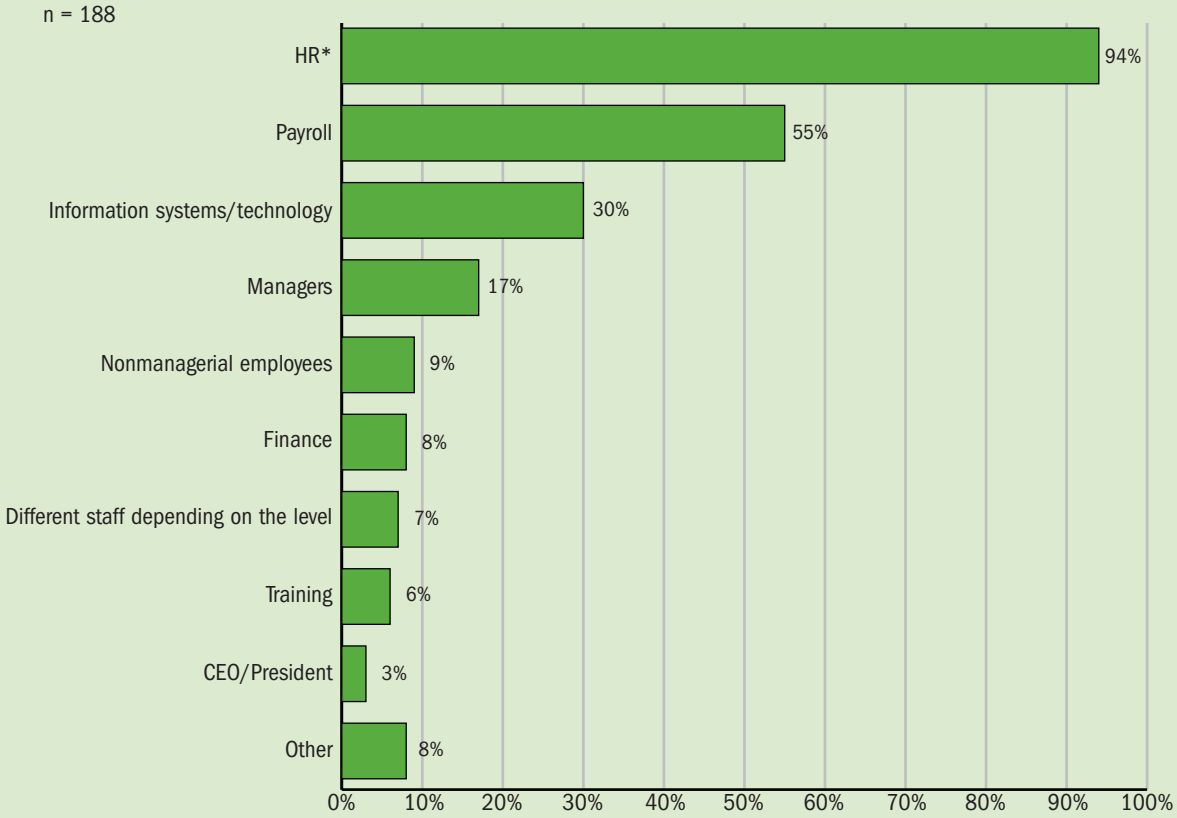
Few HR professionals indicated a decrease in their organizations' HR headcount after system implementation. The themes that did emerge for such a decrease were mainly centered on the fact that the overall organization size had decreased.

Access to HR Technology

The majority of respondents (94%) indicated that the HR staff has access to employee information in HR technology systems. Within the access of the HR staff, 30% indicated everyone on the HR staff has access, 27% indicated that several people (but not all) on the HR staff have access and 6% indicated that only one person on the HR staff has access. More than one-half (55%) indicated that the payroll staff has access to employee information in the system, and 30% reported that the information systems/technology staff can access this information. These data are shown in Figure 5. Access by HR is not surprising, given that the primary responsibility for the HR technology usually lies with HR.

As shown in Figure 6, in terms of level of staff with access to employee information in the technology systems, HR professionals (61%) most frequently indicated that nonexecutive upper management has access to the system. Fifty-three percent of respondents stated that executive upper management has access to the information.

Figure 5 Staff With Access to HR Technology System

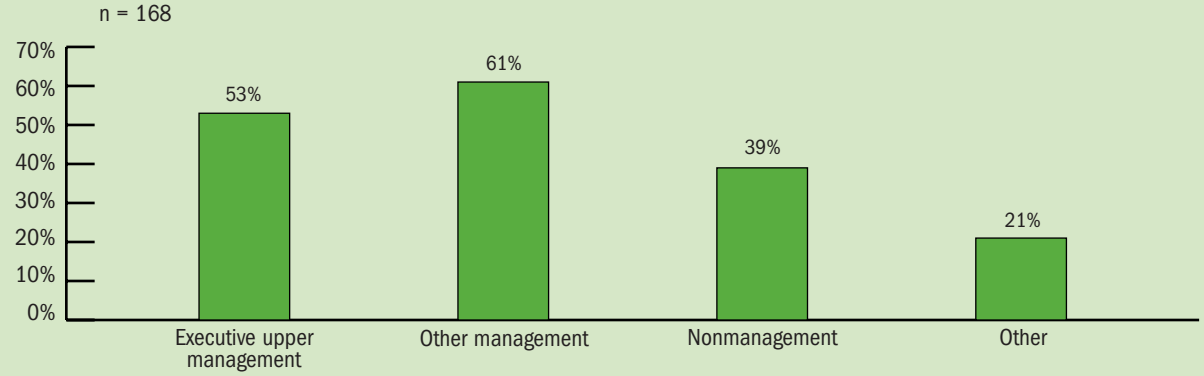


**Of those indicating that HR has access, 6% reported that only one person in HR has access, 27% indicated that several people in HR have access and 30% responded that everyone in HR has access.*

Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals. Percentages do not total 100% as multiple responses were allowed.

Source: 2005 HR Technology Survey Report

Figure 6 Staff With Access to Employee Information in HR Technology System



Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals. The "other" category was comprised of many responses; however, two responses were mentioned more frequently—"HR" and "different roles have different levels of access." Percentages are row percentages and do not total 100% as multiple responses were allowed.

Source: 2005 HR Technology Survey Report

Table 4 Staff With Access to Employee Information in HR Technology Systems (by Organization Staff Size)

	Small (1-99 Employees) n = 82	Medium (100-499 Employees) n = 91	Large (500 or More Employees) n = 79	Differences Based on Staff Size
Executive/upper management	59%	44%	41%	
Other management	41%	51%	64%	Large > small
Nonmanagement	25%	34%	41%	

Note: Sample sizes are based on the actual number of respondents by size who answered this question using the response options provided. Percentages are column percentages and do not total 100% as multiple responses were allowed.

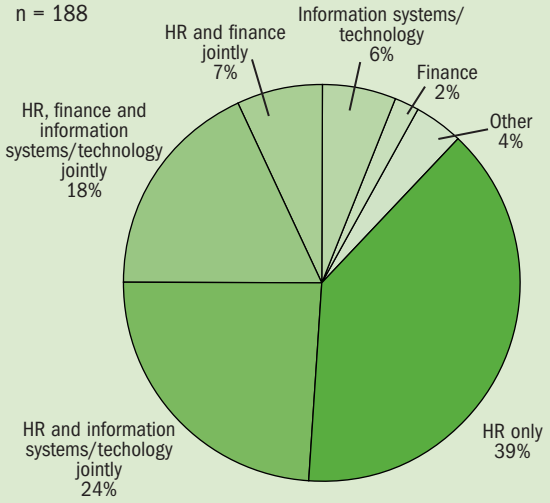
Source: 2005 HR Technology Survey Report

HR professionals in large organizations were more likely to report that management outside of the executive upper management level has access to employee information in the technology systems compared with HR professionals in small organizations (64% versus 41%). These data are depicted in Table 4.

Primary Responsibility for HR Technology

As illustrated in Figure 7, primary responsibility for the HR technology systems most frequently lies with HR (39%), followed by HR and information systems/technology jointly (24%). As mentioned earlier, this coincides with the finding that HR has access to employee information more frequently than other functions in an organization.

Figure 7 Primary Responsibility for HR Technology System



Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals.

Source: 2005 HR Technology Survey Report

HR Technology

Programs and Activities Supported

As shown in Table 5, HR programs and activities most frequently supported by HR technology systems are basic employee demographics and employment information (95%), payroll (83%), HR reporting (75%), benefits administration, including enrollment (61%), and employee directory (61%). More than one-fifth of respondents indicated that within the next 24 months their organizations plan to support the following programs and activities: performance management (31%), competency management (31%), training/development (28%), manager self-service (e.g., new hires, salary changes, terminations) (24%), compliance management (21%) and compensation planning/management (21%). Table 5 also shows percentages of respondents who reported that the programs and activities are not supported by the HR technology systems and there are no plans for support within the next 24 months.

Table 6 depicts the level of support of HR programs and activities by HR technology systems based on organization staff size. A greater number of

Table 5 HR Programs and Activities Supported by HR Technology Systems

	Currently Supported by HR Technology Systems	Plan to Support by HR Technology Systems Within the Next 24 Months	Not Supported by HR Technology Systems; No Plans for Support by HR Technology Systems Within the Next 24 Months
Basic employee demographics and employment information	95%	3%	2%
Payroll	83%	3%	14%
HR reporting (e.g., EEO-1 reports, metrics reports)	75%	9%	16%
Benefits administration (including enrollment)	61%	19%	20%
Employee directory	61%	7%	31%
Compliance management (e.g., EEO, OSHA)	58%	21%	21%
Employee attendance	48%	15%	37%
Company-to-employee communications (i.e., posting information for employees to access, such as policies, procedures, etc.)	46%	12%	43%
Compensation planning/management	46%	21%	33%
Retirement benefits	46%	10%	44%
Internal job postings	45%	15%	40%
Electronic forms (e.g., W-4, W-2, I-9)	43%	19%	38%
Applicant/employment—external recruiting	42%	19%	39%
Performance management	37%	31%	31%
Manager self-service (e.g., new hires, salary changes, terminations)	36%	24%	41%
Expense reporting	35%	10%	55%
Training/development	34%	28%	38%
Competency management	23%	31%	47%
Surveys	20%	12%	68%

Note: Number of respondents varied between 181 and 188 for each program and activity. Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals. Percentages are row percentages and may not total 100% due to rounding.

Source: 2005 HR Technology Survey Report

HR professionals in medium organizations (47%), compared with large organizations (27%), indicated applicant/employment—external recruiting is not supported. Compensation planning/management is more frequently supported by HR technology systems in large (56%) than in small organizations (30%). Respondents in medium and large organizations (83% and 79%, respectively) indicated greater current support by HR technology systems used for HR reporting than respondents from small organizations (56%). Small organizations (60%) are more likely to not have support from HR technology systems for internal job postings than large organizations (29%). Again, these differences may be due to larger organizations having greater resources.

The responding HR professionals in the health and durable goods manufacturing industries were less likely to indicate (38% and 39%, respectively) that their HR technology systems do not support company-to-employee communications compared with respondents in the nonprofit services industry (58%). Compensation planning/management and electronic forms are more likely to be supported by HR technology systems in for-profit services organizations (55%

Table 6 HR Programs and Activities Supported by HR Technology Systems (by Organization Staff Size)

		Small (1-99 Employees) n = 82	Medium (100-499 Employees) n = 91	Large (500 or More Employees) n = 79	Differences Based on Staff Size
Applicant/employment—external recruiting	Currently supported	33%	41%	45%	
	Plan to support within 24 months	19%	12%	27%	
	Not supported	49%	47%	27%	Medium > large
Compensation planning/management	Currently supported	30%	43%	56%	Large > small
	Plan to support within 24 months	16%	22%	22%	
	Not supported	53%	34%	22%	Small > large
HR reporting (e.g., EEO-1 reports, metrics reports)	Currently supported	56%	83%	79%	Medium, large > small
	Plan to support within 24 months	14%	6%	7%	
	Not supported	30%	11%	14%	Small > medium, large
Internal job postings	Currently supported	30%	45%	51%	
	Plan to support within 24 months	9%	14%	19%	
	Not supported	60%	41%	29%	Small > large

Note: Sample sizes are based on the actual number of respondents by size who answered this question using the response options provided. Percentages are column percentages within each program and activity.

Source: 2005 HR Technology Survey Report

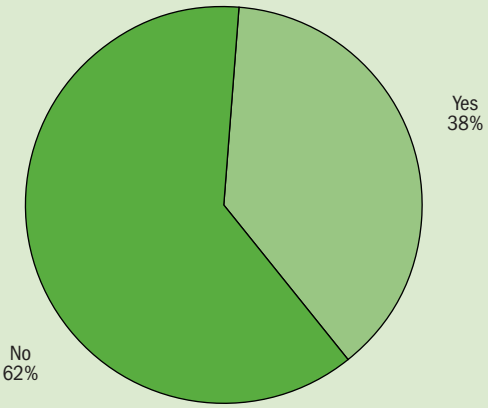
each) than in nonprofit services organizations (8% each). Respondents in the nonprofit services industry indicated their HR technology systems do not support compensation planning/management (83%) more often than respondents in the following industries: health (31%), manufacturing (durable goods) (25%) and services (profit) (25%). The durable goods manufacturing industry indicated a higher level of current support for manager self-service (57%) compared with the nonprofit services industry (8%). Respondents in the nonprofit services industry were more likely to indicate that manager self-service was not supported (83%) compared with respondents in the durable goods manufacturing (25%) and for-profit services (30%) industries. These data are depicted in Table 7.

Employee Self-Service

One benefit of HR technology systems is employee

Figure 8 Is Employee Self-Service Included in Current HR Technology System?

n = 187



Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals.

Source: 2005 HR Technology Survey Report

Table 7 HR Programs and Activities Supported by HR Technology Systems (by Industry)

		Health n = 23	Manufacturing (Durable Goods) n = 34	Services (Nonprofit) n = 20	Services (Profit) n = 28	Differences Based on Industry
Company-to-employee communications (i.e., posting information for employees to access, such as policies, procedures)	Currently supported	50%	57%	25%	60%	
	Plan to support within 24 months	13%	4%	17%	0%	
	Not supported	38%	39%	58%	40%	Health, manufacturing (durable goods) < services (nonprofit)
Compensation planning/management	Currently supported	56%	46%	8%	55%	Services (profit) > services (nonprofit)
	Plan to support within 24 months	13%	29%	8%	20%	
	Not supported	31%	25%	83%	25%	Services (nonprofit) > health, manufacturing (durable goods), services (nonprofit)
Electronic forms (e.g., W-4, W-2, I-9)	Currently supported	44%	50%	8%	55%	Services (profit) > services (nonprofit)
	Plan to support within 24 months	13%	14%	17%	5%	
	Not supported	44%	36%	75%	40%	
Manager self-service (e.g., new hires, salary changes, terminations)	Currently supported	19%	57%	8%	45%	Manufacturing (durable goods) > services (nonprofit)
	Plan to support within 24 months	31%	18%	8%	25%	
	Not supported	50%	25%	83%	30%	Services (nonprofit) > manufacturing (durable goods), services (profit)

Note: Sample sizes are based on the actual number of respondents by industry who answered this question using the response options provided. Percentages are row percentages.

Source: 2005 HR Technology Survey Report

self-service, which allows employees to do administrative work, hopefully freeing up HR's time. As shown in Figure 8, 38% of HR professionals indicated that employee self-service is provided in the HR technology systems their organizations are currently using. Organizations with large staff sizes were more likely to indicate employee self-service is provided (48%) than small organizations (19%). This difference may be caused by larger organizations having greater resources compared with smaller organizations. These data are depicted in Table 8.

Table 8 Inclusion of Employee Self-Service in Current HR Technology Systems (by Organization Staff Size)

	Small (1-99 Employees) n = 82	Medium (100-499 Employees) n = 91	Large (500 or More Employees) n = 79	Differences Based on Staff Size
Included	19%	37%	48%	Large > small
Not included	81%	63%	52%	Small > large

Note: Sample sizes are based on the actual number of respondents by size who answered this question using the response options provided. Percentages are column percentages.

Source: 2005 HR Technology Survey Report

Table 9 Approaches Used for Areas of Employee Self-Service

Areas of Employee Self-Service	Manual/ Paper-Based	Internally Developed HR Technology Systems	Licensed Software From Vendor	Externally Hosted Software Provided by Vendor (ASP, or Application Service Provider)	Completely Outsourced
Benefits open enrollment	42%	22%	11%	27%	12%
Benefits life events enrollment	46%	21%	9%	24%	10%
Benefits new hires enrollment	49%	22%	9%	21%	9%
Career development	53%	31%	13%	5%	1%
Communications (company policies, etc.)	38%	58%	8%	10%	1%
Direct deposit changes	46%	30%	16%	11%	7%
Expense reporting	41%	32%	15%	10%	6%
Mobility and recruitment	44%	25%	27%	13%	3%
Pay statements (paperless pay)	31%	31%	24%	15%	10%
Performance management	60%	33%	13%	4%	0%
Personal information changes, including address, marriage status	39%	39%	24%	15%	1%
Surveys	51%	30%	9%	10%	14%
Time-off requests (e.g., vacation)	75%	24%	9%	3%	1%
Time reporting (hourly and exception)	33%	42%	25%	13%	1%
Training registration	39%	47%	10%	15%	0%
W-2 viewing	48%	22%	14%	13%	7%
W-4 changes (e.g., tax withholdings)	54%	23%	17%	12%	4%

Note: Number of respondents varied from 74 to 88 by area of employee self-service. Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals and who indicated employee self-service was included in the HR technology systems currently being used. Percentages are row percentages and do not total 100% since multiple responses were allowed.

Source: 2005 HR Technology Survey Report

HR professionals who indicated employee self-service is provided in HR technology systems used by their organizations were asked to indicate the approach being used for several areas of employee self-service. As shown in Table 9, respondents reported most frequently using a manual/paper-based approach for benefits open enrollment, benefits life events enrollment, benefits new hires enrollment, career development, direct deposit changes, expense reporting, mobility and recruitment, performance management, surveys, time-off requests, W-2 viewing and W-4 changes more frequently than other approaches. For communications, time reporting and training registration, respondents indicated using internally developed HR technology systems more frequently than other approaches. For personal information changes and pay statements, HR professionals reported using both manual/paper-based and internally developed HR technology systems approaches equally as often, yet more frequently than other approaches.

For direct deposit changes, large-staff-sized organizations more frequently use manual/paper-based methods (29%) compared with small organizations (9%). Respondents in large organizations were also more likely to report using manual/paper-based methods for pay statements (22%) than respondents in small and medium organizations (5% and 7%, respectively). Perhaps smaller organizations have found greater efficiencies with technology in these areas than have larger organizations. Using internally developed systems for training registration was cited more frequently by respondents in large organizations (27%) compared with those in medium organizations (11%). Again, this may be caused by larger organizations having access to greater resources compared with smaller organizations. These data are depicted in Table 10.

Table 10 Approaches Used for Areas of Employee Self-Service (by Organization Staff Size)

		Small (1-99 Employees) n = 82	Medium (100-499 Employees) n = 91	Large (500 or More Employees) n = 79	Differences Based on Staff Size
Direct deposit changes	Manual/paper-based	9%	18%	29%	Large > small
	Internally developed	14%	13%	12%	
	Licensed software	0%	8%	8%	
	Externally hosted software	5%	3%	5%	
	Completely outsourced	5%	1%	4%	
Pay statements (paperless pay)	Manual/paper-based	5%	7%	22%	Large > small, medium
	Internally developed	7%	15%	12%	
	Licensed software	7%	11%	10%	
	Externally hosted software	5%	3%	8%	
	Completely outsourced	2%	1%	7%	
Training registration	Manual/paper-based	9%	13%	21%	
	Internally developed	11%	11%	27%	Large > medium
	Licensed software	0%	4%	5%	
	Externally hosted software	2%	4%	10%	
	Completely outsourced	0%	0%	0%	

Note: Sample sizes are based on the actual number of respondents by size who answered this question using the response options provided. Within each area, percentages are column percentages.

Source: 2005 HR Technology Survey Report

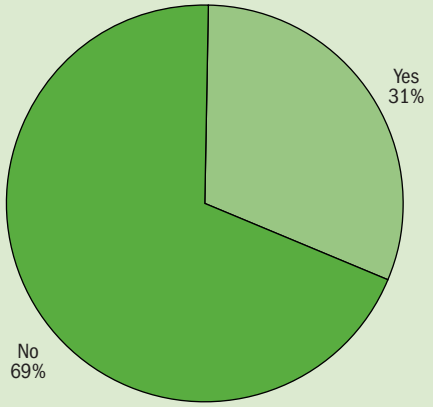
Manager Self-Service

Another efficiency that can be created with the use of HR technology is that managers can also do some of the administrative work historically assigned to HR. Less than one-third of the responding HR professionals (31%) indicated manager self-service is provided in the HR technology systems their organizations are currently using. These data are depicted in Figure 9.

Respondents who indicated that their HR technology systems provide manager self-service were provided a list of areas of manager self-service and asked to indicate the approach being taken with each area. As shown in Table 11, expense reporting approval, career development, hiring new employees, performance management, terminating employees and time-off approvals are most frequently approached through a manual/paper-based approach. Initiating

Figure 9 Is Manager Self-Service Included in Current HR Technology System?

n = 173



Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals.

Source: 2005 HR Technology Survey Report

Table 11 Approaches Used for Manager Self-Service

Areas of Employee Self-Service	Manual/ Paper-Based	Internally Developed HR Technology Systems	Licensed Software From Vendor	Externally Hosted Software Provided by Vendor (ASP, or Application Service Provider)	Completely Outsourced
Expense reporting approval	41%	26%	20%	15%	2%
Career development	47%	33%	16%	5%	2%
Hiring new employees	38%	34%	30%	11%	2%
Initiating compensation actions	30%	35%	26%	13%	2%
Performance management	44%	41%	15%	4%	0%
Recruitment (screening applicants, scheduling interviews, etc.)	33%	44%	20%	11%	0%
Reporting	25%	43%	32%	14%	2%
Salary planning	40%	42%	20%	7%	0%
Terminating employees	39%	30%	33%	11%	2%
Time-off approvals	61%	27%	11%	7%	0%
Time reporting approvals	43%	45%	15%	9%	0%
Training registration approvals	44%	52%	11%	4%	0%

Note: Number of respondents varied from 43 to 47 by area of manager self-service. Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals and who indicated manager self-service is provided in their HR technology systems. Percentages are row percentages and do not total 100% as multiple responses were allowed.

Source: 2005 HR Technology Survey Report

compensation actions, recruitment, reporting, salary planning, time reporting approvals and training registration approvals are more often approached with internally developed HR technology systems compared with other possible approaches.

HR professionals in small organizations were more likely to report using a manual/paper-based approach to employee terminations (83%) compared with HR professionals in organizations with large staff sizes (25%). These data are depicted in Table 12.

Technical Skills

Importance of Technical Skills

As shown in Figure 10, the majority of respondents (94%) indicated that technical skills, such as software and Internet literacy, are extremely or somewhat important when hiring for HR positions in their organizations. It is not surprising that there is a high importance attributed to technical skills as technology becomes more and more ubiquitous.

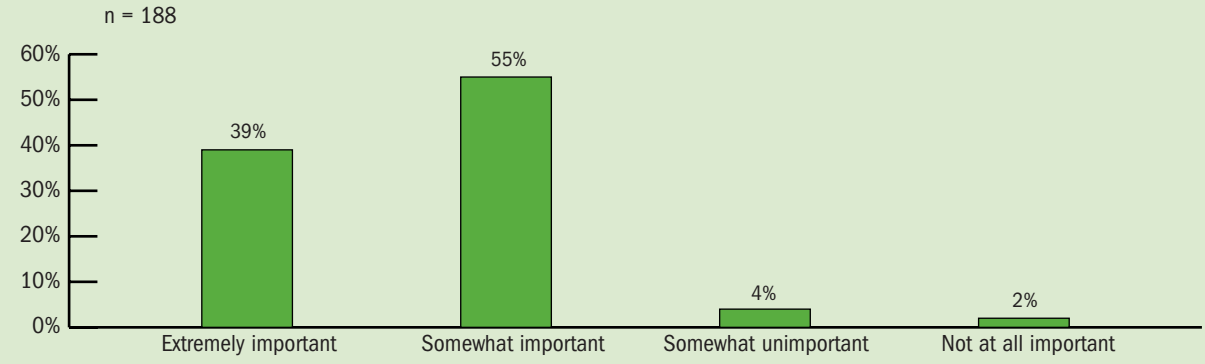
Table 12 Approaches Used for Manager Self-Service (by Organization Staff Size)

		Small (1-99 Employees) n = 82	Medium (100-499 Employees) n = 91	Large (500 or More Employees) n = 79	Differences Based on Staff Size
Terminating employees	Manual/paper-based	83%	32%	25%	Small > large
	Internally developed	50%	23%	25%	
	Licensed software	17%	27%	33%	
	Externally hosted software	17%	9%	8%	
	Completely outsourced	17%	0%	0%	

Note: Sample sizes are based on the actual number of respondents by size who answered this question using the response options provided. Within each area, percentages are column percentages.

Source: 2005 HR Technology Survey Report

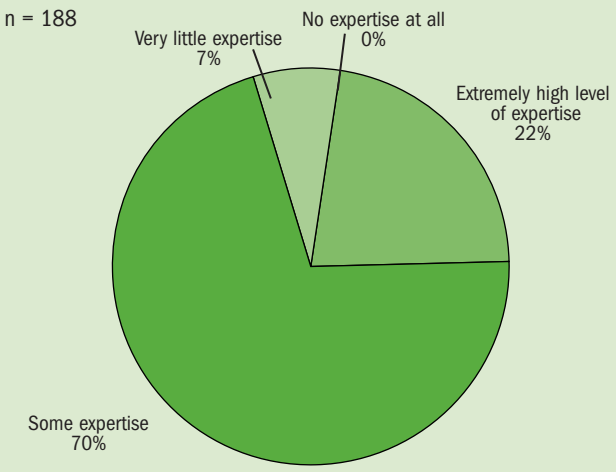
Figure 10 Importance of Technical Skills When Hiring for HR



Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals.

Source: 2005 HR Technology Survey Report

Figure 11 Overall Technical Expertise of HR Staff



Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals. Percentages do not add to 100% due to rounding.

Source: 2005 HR Technology Survey Report

Level of Technical Expertise

Figure 11 depicts the level of technical expertise of the HR staff at respondents' organizations, according to responding HR professionals. Twenty-two percent of respondents reported an extremely high level of expertise, and 70% indicated some technical expertise among HR staff at their organizations. As technology becomes even more widely used, this expertise may become more crucial for not only HR professionals but for the entire workforce.

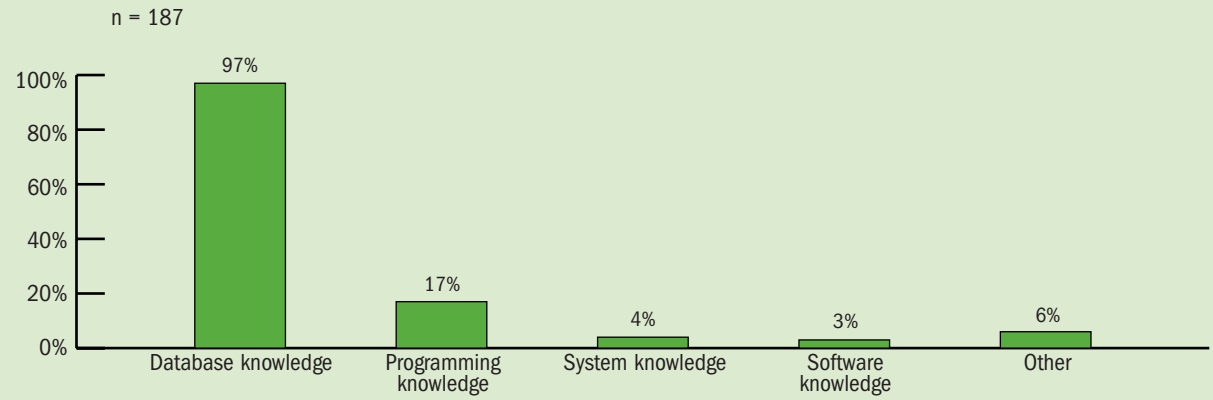
Necessary Technical Skills

The majority of respondents (97%) consider database knowledge important for HR staff to have when implementing and maintaining HR technology skills. It is not surprising that database knowledge is highly valued, especially since databases rely on logic to query data. These data and the importance of other skills are depicted in Figure 12.

Technical Training and Development

As shown in Figure 13, about one-half of the responding HR professionals (51%) indicated that, over the last year, HR staff members at their organizations have participated in technical training and development activities such as software and/or programming classes. HR professionals in large organizations were more likely to report participation in training and development than those in small organizations (64% compared with 35%). This is not surprising given large organization are more frequently implementing HR technology (see Table 13).

Figure 12 Important Technical Skills for HR Staff for Implementation and Maintenance of HR Technology Systems

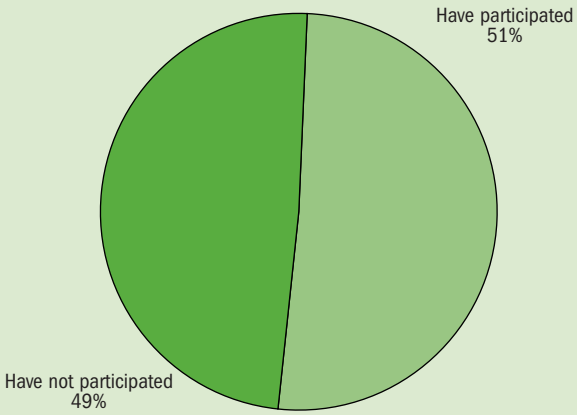


Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals and the 3% of respondents who did not indicate that no technical skills were important. Percentages do not total 100% as multiple responses were allowed.

Source: 2005 HR Technology Survey Report

Figure 13 Staff Participation in Technical Training and Development Over the Past Year

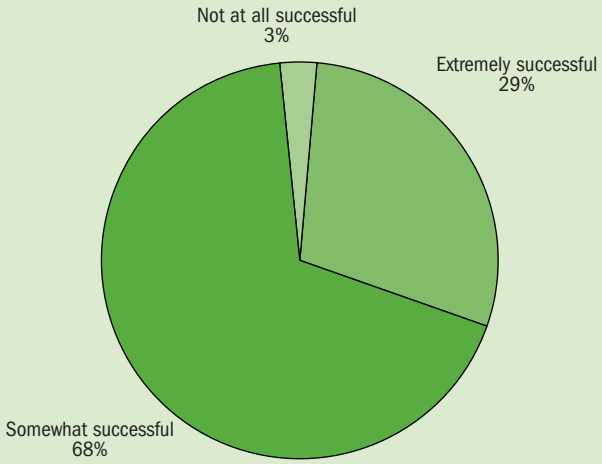
n = 253



Source: 2005 HR Technology Survey Report

Figure 14 Success of HR Technology Systems Since Implementation

n = 172



Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals. Excludes 11 respondents who indicated success cannot be determined.

Source: 2005 HR Technology Survey Report

Table 13 Staff Participation in Technical Training and Development Over the Past Year (by Organization Staff Size)

	Small (1-99 Employees) n = 82	Medium (100-499 Employees) n = 91	Large (500 or More Employees) n = 79	Differences Based on Staff Size
Have participated	35%	53%	64%	Large > small
Have not participated	65%	47%	36%	

Note: Sample sizes are based on the actual number of respondents by size who answered this question using the response options provided. Percentages are column percentages.

Source: 2005 HR Technology Survey Report

Table 14 Success of HR Technology Systems Since Implementation (by Organization Staff Size)

	Small (1-99 Employees) n = 82	Medium (100-499 Employees) n = 91	Large (500 or More Employees) n = 79	Differences Based on Staff Size
Extremely successful	46%	23%	25%	Small > medium
Somewhat successful	54%	74%	70%	
Not at all successful	0%	3%	4%	

Note: Sample sizes are based on the actual number of respondents by size who answered this question using the response options provided. Percentages are column percentages and may not total 100% due to rounding.

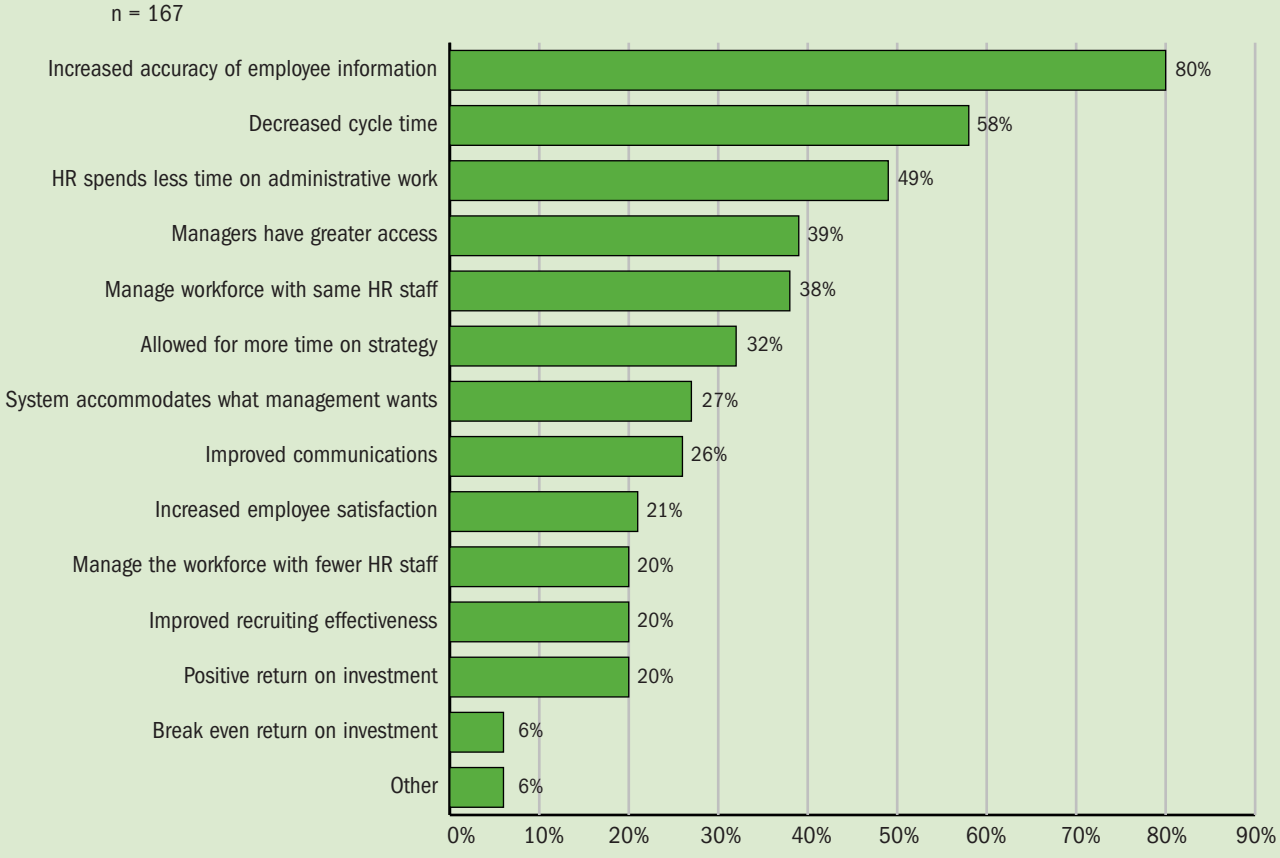
Source: 2005 HR Technology Survey Report

Success

Figure 14 depicts the perceived success of the HR technology systems since implementation. Twenty-nine percent of respondents indicated the systems have been extremely successful, 68% found them to be somewhat successful, and 3% reported that the systems have not been successful at all. Respondents in small organizations found the systems to be extremely successful more frequently than those in medium organizations (46% compared to 23%). These data are depicted in Table 14.

Figure 15 depicts the successes organizations have had with their HR technology systems. The top five successes are: 1) accuracy of employee information has increased (80%); 2) cycle time for processing employee information transactions has decreased (58%); 3) HR staff spends less time on administrative work (49%); 4) managers have greater access to employee information (39%); and 5) organizations are able to manage the workforce with the same number of HR staff (38%). These successes demonstrate the great potential for a high return on investment.

Figure 15 Successes With HR Technology Systems



Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals. Excludes 11 respondents who indicated there have been no successes. Percentages do not total 100% as multiple responses were allowed.

Source: 2005 HR Technology Survey Report

HR professionals in large organizations were more likely to indicate that HR staff is able to spend more time on strategic resource planning and leading the organization compared with respondents in small organizations (43% compared with 17%). HR professionals in large organizations were more likely to indicate that recruiting effectiveness has improved compared with those in medium organizations (29% compared with 10%). These data are depicted in Table 15.

Obstacles and Challenges

The five most frequent expectations that HR professionals indicated were not met since implementation of HR technology systems included the following: 1) HR staff does not spend less time on administrative work (43%); 2) HR staff members have not been able to spend more time on strategic resource planning and leading the organization (38%); 3) recruiting effectiveness has not improved (38%); 4) managers do not have greater access to employee information (34%); and 5) employee satisfaction has not increased (33%). It is interesting that the obstacles and challenges most frequently cited are the same as the successes that were most frequently cited. These data and other missed expectations are depicted in Figure 16.

As depicted in Table 16, HR professionals in small organizations were more likely to indicate there have not been any missed expectations compared with respondents in large organizations (25% compared with 7%). A possible explanation for this could be that small organizations set lower expectations (due to resource issues) than large organizations.

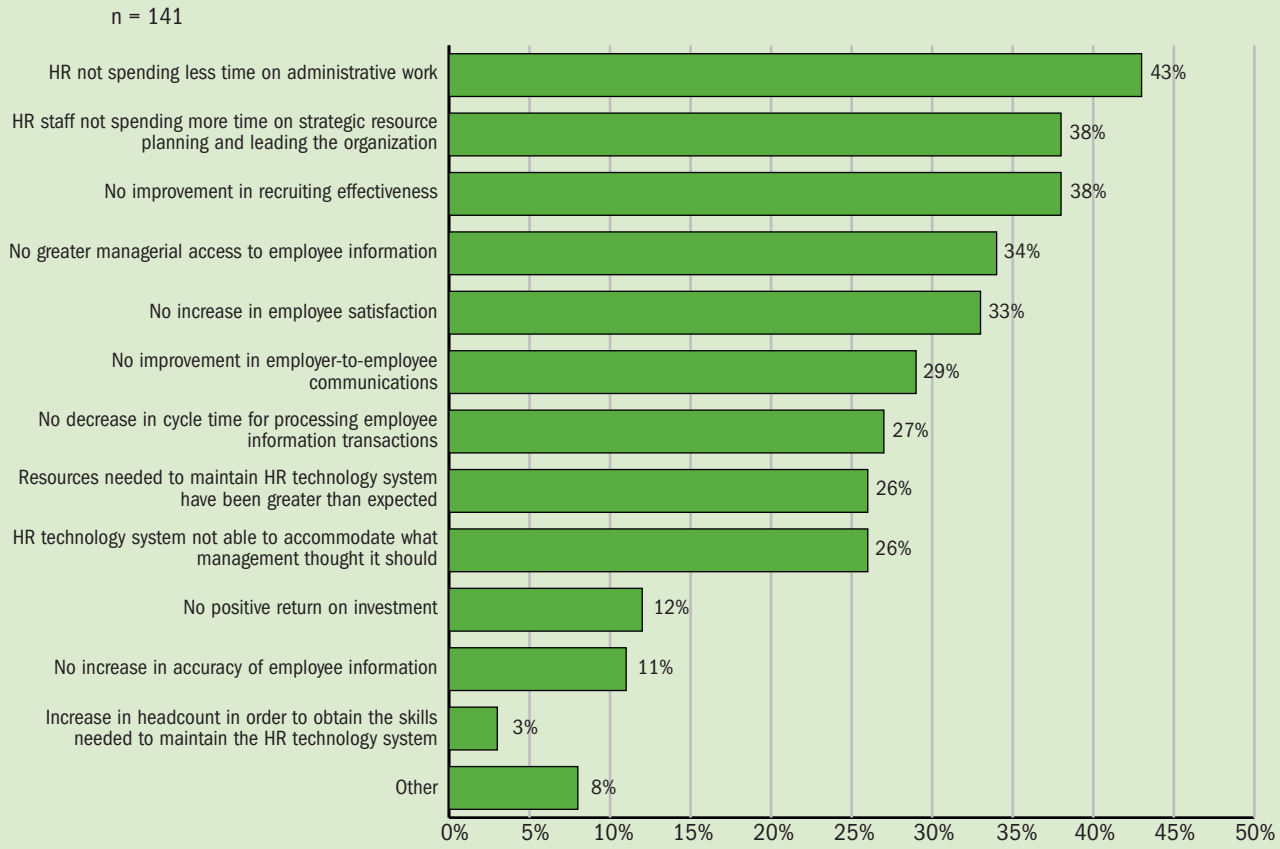
Table 15 Successes With HR Technology Systems (by Organization Staff Size)

	Small (1-99 Employees) n = 82	Medium (100-499 Employees) n = 91	Large (500 or More Employees) n = 79	Differences Based on Staff Size
Able to manage the workforce with fewer HR staff	12%	18%	21%	
Able to manage the workforce with the same number of HR staff	31%	40%	35%	
Accuracy of employee information has increased	79%	76%	71%	
Cycle time for processing employee information transactions has decreased	55%	46%	60%	
Employee satisfaction has increased	29%	13%	21%	
Employer-to-employee communications have improved	31%	21%	24%	
HR staff is able to spend more time on strategic resource planning and leading the organization	17%	25%	43%	Large > small
HR staff spends less time on administrative work	38%	43%	51%	
Managers have greater access to employee information	38%	31%	38%	
Recruiting effectiveness has improved	17%	10%	29%	Large > medium
Return on investment has been a break even	7%	7%	3%	
There has been a positive return on investment	24%	18%	18%	
The HR technology system has been able to accommodate what management thought it should	19%	25%	28%	
Other	0%	7%	7%	

Note: Sample sizes are based on the actual number of respondents by size who answered this question using the response options provided. Percentages are column percentages and do not total 100% as multiple responses were allowed.

Source: 2005 HR Technology Survey Report

Figure 16 Areas Where HR Technology Systems Have Not Met Expectations



Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals. Excludes 11 respondents who indicated there have been no successes. Percentages do not total 100% as multiple responses were allowed.

Source: 2005 HR Technology Survey Report

Table 16 Success of HR Technology Systems Since Implementation (by Organization Staff Size)

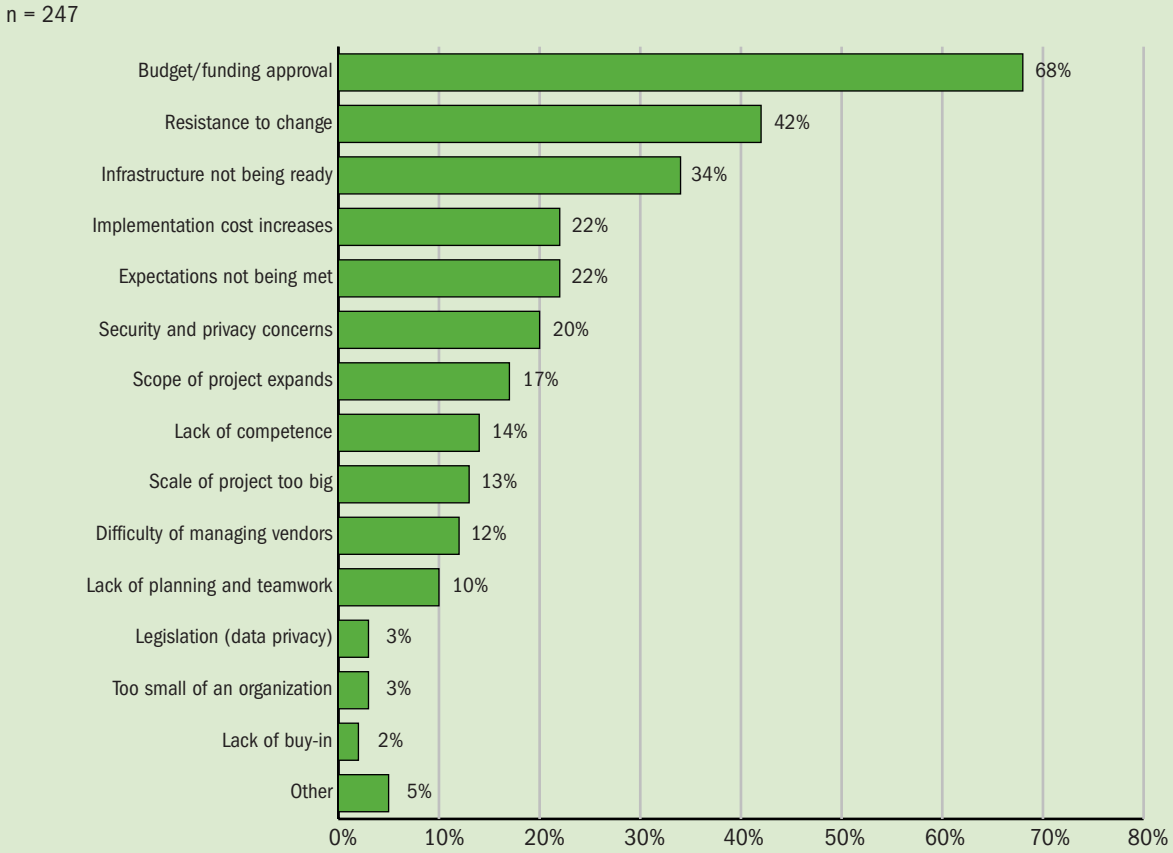
	Small (1-99 Employees) n = 82	Medium (100-499 Employees) n = 91	Large (500 or More Employees) n = 79	Differences Based on Staff Size
There have not been any missed expectations	25%	14%	7%	Small > large

Note: Sample sizes are based on the actual number of respondents by size who answered this question using the response options provided. Percentages are column percentages.

Source: 2005 HR Technology Survey Report

When asked about the top three obstacles that make it challenging to implement HR technology systems in their organizations, HR professionals most frequently indicated the following: budget/funding approval (68%), resistance to change (42%) and infrastructure not being ready (34%). HR professionals can play a large role in presenting a business case that would help move past budgeting and change resistance. The frequency of these and other obstacles is shown in Figure 17.

Figure 17 Obstacles in Implementing an HR Technology System



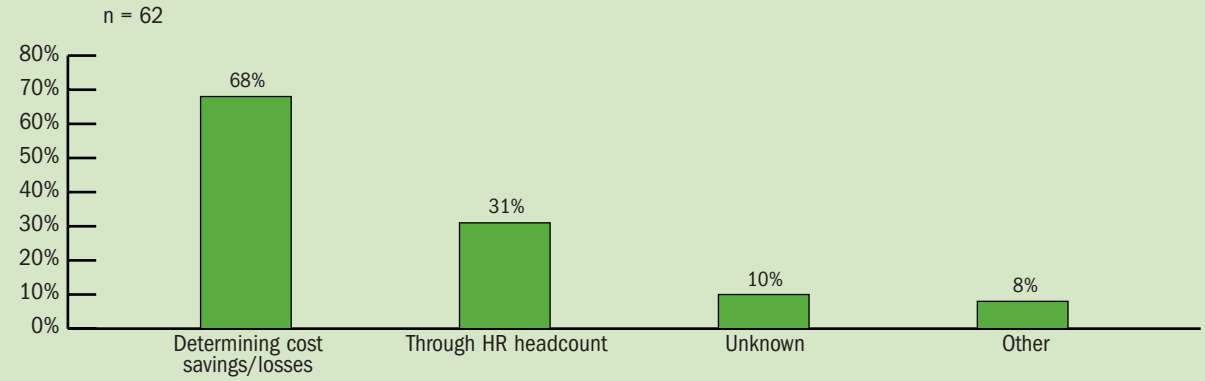
Note: Percentages do not total 100% as multiple responses were allowed.

Source: 2005 HR Technology Survey Report

Return on Investment

Two-thirds of respondents (65%) indicated their organizations are not measuring the return on investment for HR technology systems. Excluding those not measuring return on investment, 68% of HR professionals stated that return on investment for HR technology systems is measured by determining cost savings and losses, followed by HR headcount (31%). Ten percent of respondents indicated they did not know how the return on investment was measured. If HR professionals can find a way to demonstrate return on investment, it could go a long way toward building a business case for incorporating HR technology systems into organizations.

Figure 18 Measuring HR Technology System's Return on Investment



Note: Based on respondents who indicated use of licensed software, externally hosted software, internally developed HR technology systems or Web portals. Excludes 113 respondents who do not currently measure return on investment. Percentages do not total 100% as multiple responses were allowed.

Source: 2005 HR Technology Survey Report

Conclusions

HR technology does not appear to have become very mainstream. While technology can provide much efficiency for its users, it appears that a strong business case is not being made to bring it into all organizations. In fact, the data in this report demonstrate that even those organizations that have technology are still using manual processes for many HR functions.

Technology continues to be the wave of the future (see the next section, "A Future View of HR Technology"). It has become ubiquitous in both personal lives and throughout the workplace. It is vital that all workers become adept in technology. There is an even more crucial need for HR professionals to stay abreast of the changing technological landscape. For HR to be able to participate in setting an organization's strategy, it will become necessary to move out of the administrative role HR has become known for. To do that, HR will need to prove how the administrative needs can be accomplished. Understanding the potential and limitations of technology will be paramount.

Human resource professionals are able to recognize when managers are not using their staff members to their fullest capabilities. Often, "I can do it faster myself" is the reason provided. This excuse may apply to technology as well; however, once it is introduced and can be proven to create efficiencies, the manual processes will not be brought back.

A Look Ahead:
A Future View of HR Technology

HR leaders and professionals seem to agree that an understanding of technology will be an increasingly important HR competency in the years ahead. Not only will HR professionals need to understand the critical HR technology issues that organizations are currently dealing with, but they will also need to have a good understanding of potential future trends in HR technology in order to be prepared and hopefully avoid costly mistakes. With this in mind, SHRM recently asked its special expertise panel on technology and HR management to report on some of the key trends in HR technology that could have an impact on the HR profession in the next few years. Several of these are strongly linked to some of the HR Technology Survey findings.

For example, the top trend identified by the panel of experts was the "expanded use of the Web for delivery and utilization of HR applications on a service basis." This may be particularly true of small- and medium-sized companies, as it may enable them to use sophisticated HR applications that may have previously only been affordable to much larger organizations operating HR software internally. But according to the survey, currently more than half of the responding HR professionals use licensed software on internal computers and networks, so if this trend does begin to develop, it would represent a major shift. Good quality service and the ability to customize programs are critical factors that will determine how many HR functions move to a service model.

Another issue is that of employee and manager self-service. Currently the majority of surveyed HR professionals said their organizations did not have an employee self-service component built into their HR technology systems. And though many organizations do currently have some form of employee or manager self-service in place, these systems are not yet fully utilized by staff. According to HR technology experts, this is likely to change as Web-based employee and manager self-service applications grow more sophisticated and are better integrated into other work processes. This may depend largely on employer investment in these technologies, so making the return-on-investment case will be crucial.

However, making the case for HR technology may be difficult if current problems highlighted in the survey persist. Most organizations are not measuring the return on investment for HR technology systems, so improvements in this regard will have a significant impact on any future investments. And investing in HR technology has not lived up to expectations when it comes to freeing up HR staff for more strategic initiatives.

According to SHRM's panel of technology experts, a few other trends to keep an eye on include the growth in the use of e-learning, heightened awareness of HR data privacy (an increasingly important issue, given the rise of identity theft using employee information), outsourcing of HR information systems (HRIS), vendor consolidation in the HRIS industry and the transition to paperless pay. Overall, with improvements in technology and, in many cases, reduction in costs, a growth in the implementation and utilization of these applications seems inevitable, making it necessary for HR professionals to continue to monitor changes and trends in HR technology. ■

Demographics

Region

n = 249

Midwest (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin)	23%
South (Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia)	29%
West (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Montana, Oregon, Utah, Washington, Wyoming)	32%
Northeast (Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont)	17%

Organization Staff Size

n = 252

Staff sizes ranged from one employee to 200,000. The median staff size was 200.

Small (1-99 employees)	33%
Medium (100-499 employees)	36%
Large (500 or more employees)	31%

HR Department Staff Size

n = 249

HR department staff size ranged from zero employees to 2,000. The median HR department size was three employees.

Unionization

n = 254

Twenty percent of respondents indicated that their organization employs unionized workers. Those 20% reported that, on average, 35% of their workers are covered under a collective bargaining agreement.

Industry

n = 253

Construction & mining/oil & gas	2%
Educational services	8%
Finance	5%
Government	4%
Health	9%
High-tech	7%
Insurance	3%
Newspaper publishing/broadcasting	1%
Manufacturing (durable goods)	13%
Manufacturing (nondurable goods)	8%
Services (nonprofit)	8%
Services (profit)	11%
Telecommunications	2%
Transportation	1%
Utilities	1%
Wholesale/retail trade	5%
Other	13%

For-Profit/Nonprofit Organization	
n = 256	
For-profit organization	68%
Nonprofit organization	32%

Sector	
n = 255	
Public/government sector	20%
Private sector	80%

Survey Instrument

SOCIETY FOR HUMAN RESOURCE MANAGEMENT

HR Technology Survey

The Society for Human Resource Management (SHRM) is conducting a survey on HR technology systems. Your responses to this survey will be kept strictly confidential. Responses from all participants will be combined, analyzed, and the findings reported only in their aggregate form.

Please participate in this survey by answering the following questions and clicking the "submit" button at the end **no later than Tuesday, October 12, 2004**. If you have any questions, please contact the SHRM Survey Program by telephone at (703) 535-6301 or by e-mail at surveys@shrm.org. Thank you in advance for sharing your time and knowledge. Your insight and experiences as an HR professional are invaluable to us in this effort.

Results of this survey will appear **free** to all respondents on the Survey Program homepage on SHRM's Web site. Please visit the Web site at http://www.shrm.org/surveys.

Please respond to the questions keeping your location in mind.

This survey should take no more than 15 minutes to complete.

1. **Which of the following types of HR technology systems are used for collecting and maintaining employee information? (Check all that apply.)**
   - ❑ Desktop office software, such as a spreadsheet (e.g., Microsoft Excel) → Skip to Question 21
   - ❑ Licensed software (e.g., HR, financial or ERP software) used on internal computers and networks or via intranets or the Internet (other than desktop office software)
   - ❑ Externally hosted software provided by vendor (ASP, or application service provider), usually accessed over the Internet
   - ❑ Internally developed HR technology system
   - ❑ Web portal (a "home page" on the Internet or intranet with links to company-specific information and applications)
   - ❑ None—manual, on paper → Skip to question 21
   - ❑ None—HR technology systems used for collecting and maintaining employee information (including data entry) are completely outsourced → Skip to question 21

2. **When was this HR technology system implemented?**
   - ❍ 2004
   - ❍ 2003
   - ❍ 2002
   - ❍ 2001
   - ❍ 2000
   - ❍ Prior to 2000 → Skip to question 6

3. **Since implementing the HR technology system, has your organization's HR headcount increased, remained the same or decreased?**
   - ❍ Increased → Skip to question 4
   - ❍ Remained the same → Skip to question 6
   - ❍ Decreased → Skip to question 5
   - ❍ Don't know → Skip to question 6

4. **Why has your organization's HR headcount increased since implementing the HR technology system? (Check all that apply.)**
   - ❑ Organization has grown → Skip to question 6
   - ❑ There was a need for additional technical skills → Skip to question 6
   - ❑ Other (please specify): _____ → Skip to question 6

5. **Why has your organization's HR headcount decreased since implementing the HR technology system? (Check all that apply.)**
   - ❑ HR staff members have become more efficient now that the HR technology system is in place
   - ❑ Overall organization size has decreased
   - ❑ Other (please specify): _____

6. Which TYPE of staff has access to the employee information in the HR technology system? (Check all that apply.)

- ❑ HR staff
  - ❑ one person on the HR staff
  - ❑ several people on the HR staff, but not all
  - ❑ everyone on the HR staff
- ❑ Training staff
- ❑ Information systems/technology staff
- ❑ Payroll staff
- ❑ Employees
- ❑ Managers
- ❑ Other (please specify): _____

7. Which LEVEL of staff has access to the employee information in your technology system? (Check all that apply.)

- ❑ Executive upper management (e.g., CEO, CFO)
- ❑ Other management (e.g., directors, managers)
- ❑ Nonmanagement
- ❑ Other (please specify): _____

8. Who has primary responsibility for the HR technology system? (Check only one.)

- ❍ HR
- ❍ Information systems/technology
- ❍ Finance
- ❍ HR and finance jointly
- ❍ HR and information systems/technology jointly
- ❍ HR, finance and information systems/technology jointly
- ❍ Other (please specify): _____

9. For each of the following HR programs and activities, please indicate if it is currently supported by the HR technology system, if there are plans for it to be supported by the HR technology system within the next 24 months or if it is not supported by the HR technology system and there are no plans for support by the HR technology system. (Please check one for each program/activity.)

	Currently Supported by the HR Technology System	Plan to Support by the HR Technology System Within the Next 24 Months	Not Supported by the HR Technology System; No Plans for Support by the HR Technology System Within the Next 24 Months
Applicant/employment—external recruiting	❍	❍	❍
Basic employee demographics and employment information	❍	❍	❍
Benefits administration (including enrollment)	❍	❍	❍
Company-to-employee communications (i.e., posting information for employees to access, such as policies, procedures, etc.)	❍	❍	❍
Compensation planning/management	❍	❍	❍
Competency management	❍	❍	❍
Compliance management (e.g., EEO, OSHA)	❍	❍	❍
Electronic forms (e.g., W-4, W-2, I-9)	❍	❍	❍
Employee attendance	❍	❍	❍
Employee directory	❍	❍	❍
Expense reporting	❍	❍	❍
HR reporting (e.g., EEO-1 reports, metrics reports)	❍	❍	❍
Internal job postings	❍	❍	❍
Manager self-service (e.g., new hires, salary changes, terminations)	❍	❍	❍
Payroll	❍	❍	❍
Performance management	❍	❍	❍
Retirement benefits	❍	❍	❍
Surveys	❍	❍	❍
Training/development	❍	❍	❍
Other (please specify):			

10. How important or unimportant are technical skills (i.e., software and Internet literacy) when hiring for HR positions in your organization?

❍ Extremely important
❍ Somewhat important
❍ Somewhat unimportant
❍ Not at all important

11. What level of technical expertise do the members of HR staff, overall, have at your organization?

❍ Extremely high level of expertise
❍ Some expertise
❍ Very little expertise
❍ No expertise at all

12. Which of the following technical skills do you believe are important for HR staff members to have when implementing and maintaining HR technology systems? (Check all that apply.)

❍ No skills
❍ Database knowledge
❍ Programming knowledge
❍ Other (please specify): _____

13. Is employee self-service provided in the HR technology system your organization is currently using?

❍ Yes
❍ No → Skip to question 15

14. For each of the following areas of employee self-service, please indicate which approaches are being used. (Check all that apply for each area.)

	Manual/ Paper-Based	Internally Developed HR Technology System	Licensed Software From Vendor	Externally Hosted Software Provided by Vendor (ASP, or Application Service Provider)	Completely Outsourced
Benefits open enrollment	❑	❑	❑	❑	❑
Benefits life events enrollment	❑	❑	❑	❑	❑
Benefits new hires enrollment	❑	❑	❑	❑	❑
Career development	❑	❑	❑	❑	❑
Communications (company policies, etc.)	❑	❑	❑	❑	❑
Direct deposit changes	❑	❑	❑	❑	❑
Expense reporting	❑	❑	❑	❑	❑
Mobility and recruitment	❑	❑	❑	❑	❑
Pay statements (paperless pay)	❑	❑	❑	❑	❑
Performance management	❑	❑	❑	❑	❑
Personal information changes, including address, marriage status	❑	❑	❑	❑	❑
Surveys	❑	❑	❑	❑	❑
Time-off requests (e.g., vacation)	❑	❑	❑	❑	❑
Time reporting (hourly and exception)	❑	❑	❑	❑	❑
Training registration	❑	❑	❑	❑	❑
W-2 viewing	❑	❑	❑	❑	❑
W-4 changes (e.g., tax withholdings)	❑	❑	❑	❑	❑

15. Is manager self-service provided in the HR technology system that your organization is currently using?

❍ Yes

❍ No → Skip to question 17

16. For each of the following areas of manager self-service, please indicate which approaches are being used. (Check all that apply for each area.)

	Manual/ Paper-Based	Internally Developed HR Technology System	Licensed Software From Vendor	Externally Hosted Software Provided by Vendor (ASP, or Application Service Provider)	Completely Outsourced
Expense reporting approval	❑	❑	❑	❑	❑
Career development	❑	❑	❑	❑	❑
Hiring new employees	❑	❑	❑	❑	❑
Initiating compensation actions	❑	❑	❑	❑	❑
Performance management	❑	❑	❑	❑	❑
Recruitment (e.g., screening applicants, scheduling interviews)	❑	❑	❑	❑	❑
Reporting	❑	❑	❑	❑	❑
Salary planning	❑	❑	❑	❑	❑
Terminating employees	❑	❑	❑	❑	❑
Time-off approvals	❑	❑	❑	❑	❑
Time reporting approvals	❑	❑	❑	❑	❑
Training registration approvals	❑	❑	❑	❑	❑

17. Overall, how successful or not successful has the HR technology system been since implementation?

❍ Extremely successful
❍ Somewhat successful
❍ Not at all successful
❍ Cannot determine its success

18. Since implementation, what successes has your organization had with the HR technology system? (Check all that apply.)

- ❑ There have been no successes
- ❑ Able to manage the workforce with fewer HR staff
- ❑ Able to manage the workforce with the same number of HR staff
- ❑ Accuracy of employee information has increased
- ❑ Cycle time for processing employee information transactions has decreased
- ❑ Employee satisfaction has increased
- ❑ Employer-to-employee communications have improved
- ❑ HR staff is able to spend more time on strategic resource planning and leading the organization
- ❑ HR staff spends less time on administrative work
- ❑ Managers have greater access to employee information
- ❑ Recruiting effectiveness has improved
- ❑ Return on investment has been a break even
- ❑ There has been a positive return on investment
- ❑ The HR technology system has been able to accommodate what management thought it should
- ❑ Other (please specify): _____

19. Since implementation, what areas have not met the expectations of your organization? (Check all that apply.)

- ❑ There have not been any missed expectations
- ❑ Accuracy of employee information has not increased
- ❑ Cycle time for processing employee information transactions has not decreased
- ❑ Employee satisfaction has not increased
- ❑ Employer-to-employee communications have not improved
- ❑ HR staff members have not been able to spend more time on strategic resource planning and leading the organization
- ❑ HR staff does not spend less time on administrative work
- ❑ Managers do not have greater access to employee information
- ❑ Recruiting effectiveness has not improved
- ❑ The human resources needed to maintain the HR technology system have been greater than expected
- ❑ The HR technology system has not been able to accommodate what management thought it should
- ❑ There has not been a positive return on investment
- ❑ We have had to increase headcount in order to obtain the skills needed to maintain the HR technology system
- ❑ Other (please specify): _____

20. How is your organization measuring the return on investment for the HR technology system? (Check all that apply.)

- ❑ We are not currently measuring the return on investment
- ❑ Determining cost savings/losses
- ❑ Through HR headcount
- ❑ Other (please specify): _____

21. What are the *top three* obstacles that make it challenging to implement an HR technology system at your organization? (Check only three.)

- ❑ Budget/funding approval
- ❑ Cost increases during implementation
- ❑ Difficulty of managing consultants and/or vendors
- ❑ Expectations/objectives not immediately met
- ❑ Infrastructure not ready
- ❑ Lack of competence
- ❑ Legislation (data privacy)
- ❑ Resistance to change
- ❑ Security and data privacy concerns
- ❑ The scale of the project is too big
- ❑ The scope of the project begins to encompass more than originally planned
- ❑ Other (please specify): _____

22. Over the last year, have the HR staff members participated in any technical training and development activities (e.g., software or programming classes)?

- ❍ Yes
- ❍ No

23. What is the ZIP code of the location for which you are responding? _____

24. How many employees are employed at your location? _____

25. At your location, how many employees are in the HR department? _____

26. Are there unionized employees (under a collective bargaining agreement) at this location?

- ❍ Yes
- ❍ No

27. What percentage of employees at this location is unionized (under a collective bargaining agreement)?_____ %

28. Which industry best describes your location's main business? (Check only one.)

- ❍ Construction & mining/oil & gas
- ❍ Educational services
- ❍ Finance
- ❍ Government
- ❍ Health
- ❍ High-tech
- ❍ Insurance
- ❍ Manufacturing (durable goods)
- ❍ Manufacturing (nondurable goods)
- ❍ Newspaper publishing/broadcasting
- ❍ Services (nonprofit)
- ❍ Services (profit)
- ❍ Telecommunications
- ❍ Transportation
- ❍ Utilities
- ❍ Wholesale/retail trade
- ❍ Other (please specify) _____

29. Is your organization for profit or nonprofit?

- ❍ For-profit organization
- ❍ Nonprofit organization

30. Is your organization in the public/government or private sector?

- ❍ Public/government sector
- ❍ Private sector

SHRM Survey Reports

Available to members and the public

1. Workplace Privacy Poll Findings (47 pages, January 2005)
2. Workplace Productivity Poll Findings (17 pages, January 2005)
3. 2004 U.S. Job Recovery and Retention Poll Findings (33 pages, November 2004)
4. Employee Trust and Organizational Loyalty Poll Findings (14 pages, July 2004)
5. Job Negotiation Survey Findings (41 pages, April 2004)
6. Job Opportunities Survey (39 pages, September 2003)
7. Job Recovery Survey (28 pages, August 2003)
8. Job Opportunities Poll (39 pages, April 2003)
9. Job Satisfaction Poll (74 pages, December 2002)
10. HR Implications of the Attack on America (23 pages, September 2002)
11. Corporate Credibility and Employee Communications Survey (14 pages, August 2002)
12. Job Opportunities Poll (30 pages, August 2002)
13. Workplace Romance Survey (24 pages, February 2002)
14. School-to-Work Programs Survey (16 pages, January 2002)
15. HR Implications of the Attack on America: Executive Summary of Results of a Survey of HR Professionals (13 pages, October 2002)
16. Negotiating Rewards Poll (14 pages, October 2001)
17. Search Tactics Poll (8 pages, April 2001)

Available to members only

1. 2004 Reference and Background Checking Survey Report (41 pages, January 2005)
2. Job Satisfaction Series Survey Report (192 pages, August 2004)
3. Generational Differences Survey Report (29 pages, August 2004)
4. Employer-Sponsored Investment Advice Survey Report (43 pages, July 2004)
5. Human Resources Outsourcing Survey Report (28 pages, July 2004)
6. 2004 Benefits Survey Report (67 pages, June 2004)
7. Health Care Survey Report (29 pages, June 2004)
8. SHRM/CNNfn Job Satisfaction Series: Job Satisfaction Survey Report (52 pages, April 2004)
9. SHRM/CNNfn Job Satisfaction Series: Job Compensation/Pay Survey Report (36 pages, February 2004)
10. The Maturing Profession of Human Resources in the U.S. Survey Report (48 pages, January 2004)
11. Workplace Violence Survey (52 pages, January 2004)
12. SHRM Eldercare Survey (40 pages, December 2003)
13. SHRM/CNNfn Job Satisfaction Series: Job Benefits Survey (57 pages, December 2003)
14. Undergraduate HR Curriculum Study (45 pages, October 2003)
15. SHRM Equal Employment Opportunity Commission Survey (10 pages, October 2003)
16. Fair Labor Standards Act (FLSA) Survey (20 pages, August 2003)
17. SHRM/SHRM Foundation 2003 Benefits Survey (81 pages, June 2003)
18. SHRM Job Satisfaction Series: Job Security Survey (41 pages, June 2003)
19. SHRM/NOWCC/CED Older Workers Survey (53 pages, June 2003)
20. March 2003 Current Events Survey (28 pages, May 2003)
21. 2003 FMLA Poll (20 pages, April 2003)
22. 2003 Business Ethics Survey (48 pages, April 2003)
23. Employer Incentives for Hiring Individuals With Disabilities (66 pages, April 2003)
24. Fun Work Environment Survey (56 pages, November 2002)
25. Aligning HR With Organizational Strategy (53 pages, November 2002)
26. Recruiter Cost/Budget Survey (30 pages, October 2002)
27. 2002 SHRM/Fortune Survey on the Changing Face of Diversity (16 pages, October 2002)
28. Workplace Demographic Trends Survey (37 pages, June 2002)

29. Global Leadership Survey (36 pages, June 2002)
30. SHRM 2002 Benefits Survey Results (57 pages, April 2002)
31. A Study of Effective Workforce Management (36 pages, February 2002)
32. Human Resource Strategies, Stages of Development and Organization Size Survey (46 pages, January 2002)
33. Job Security and Layoffs Survey (76 pages, December 2001)
34. World Events Survey—Impact on Global Mobility (4 pages, November 2001)
35. Religion in the Workplace (58 pages, June 2001)
36. Employee Referral Programs (40 pages, June 2001)
37. Impact of Diversity Initiatives on the Bottom Line (41 pages, June 2001)
38. 2001 Benefits Survey (59 pages, April 2001)
39. 2000 FMLA Survey (51 pages, January 2001)
40. Workplace Privacy Survey (51 pages, December 2000)
41. Performance Management Survey (43 pages, December 2000)
42. Impact of Diversity Initiatives Poll (5 pages, October 2000)
43. 2000 Retention Survey (40 pages, June 2000)
44. SHRM Cover Letters and Resume Survey (39 pages, May 2000)
45. 2000 Benefits Survey (52 pages, April 2000)

www.shrm.org/surveys

SHRM members can download this survey report and many others free of charge at **www.shrm.org/surveys**.

If you are not an SHRM member and would like to become one, please visit **www.shrm.org/application**.

ISBN 1-58644-070-5

SHRM®
2005 HR Technology Survey Report
$79.95 member/$99.95 non-member
62.17079