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Is your HR technology a help or a hinderance to employees?

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Today's business environment is fast-paced, and organisations are relying more and more on technology to streamline their operations and improve productivity. HR departments are no exception to this trend, with many companies investing heavily in HR technology to automate administrative tasks, manage employee data, and enhance the employee experience. However, despite the potential benefits of HR technology, an improved employee experience is not always guaranteed. In this whitepaper, we will explore some of the ways HR technology impacts the employee experience and what organisations can do to mitigate any negative effects.

Background

Before we dive into the specifics, let's be clear about what we mean by employee experience. According to a study by Deloitte, employee experience refers to the sum total of an employee's interactions with the organisation. It encompasses every touchpoint that an employee has with the company, from the recruitment process to retirement. It includes physical, emotional, and technological elements, and it affects how employees feel about their work, their colleagues, and the organisation.

HR technology plays a critical role in shaping the employee experience and is used to streamline recruitment, onboarding, training, performance management, and many other functions. But it can sometimes be more of a curse than a blessing. Let's review where organisations make mistakes.

Over-reliance on automation

One of the key problems with HR technology is that organisations have become too reliant on automation, and this directly affects the employee experience. HR processes that were once done by people are now automated, from resume screening to performance evaluations. This dehumanisation of the HR process is noticed by employees, whether consciously or not. When interacting with machines alone, they receive generic automated messages, and their concerns are often not addressed because the system understands only a limited range of specific inputs.

To illustrate, a study by the University of Oxford found that recruitment algorithms tend to favour candidates who use language that is similar to the job description. This means that candidates who may be a good fit for the company, but do not use the same language as the job description, may be overlooked. If used as the sole means of application parsing, this can create a less diverse and inclusive workforce, negatively impacting the employee experience.

Lack of personalisation

Another problem with HR technology is that it often lacks personalisation. Employees receive the same messages, notifications, and training regardless of their individual needs or preferences. These types of communications are readily identified by employees and can lead to a lack of engagement and motivation if not carefully constructed. For example, if an employee is struggling with a particular task, they may not receive personalised training or coaching to help them improve. They may feel like they are not valued as individuals, which can lead to disengagement and turnover.

Inflexibility

HR technology can also be inflexible as many systems handle only specific types of data or processes. This can be problematic when organisations need to adapt to changing circumstances. For example, during the COVID-19 pandemic, many organisations had to quickly adapt to remote work. However, if their HR technology was not designed to handle remote work, e.g., a lack of self-service or process automation tools, they may have struggled to support their employees to complete basic transactions. This can lead to frustration and disengagement.

Why Getting HR Technology Right Matters

Many decision makers may acknowledge the shortcomings of their current HR systems, but not take remedial action. In doing so, they risk escalating employee frustration in ways that are detrimental to the organisation. Here are a few consequences of inaction around ineffective HR solutions.

Job Burnout

A potential negative effect of HR technology on the employee experience is job burnout. As noted by Maslach et al. (2001), job burnout is a common problem among employees, particularly those who experience high levels of stress and exhaustion. HR technology can exacerbate these feelings by creating an "always-on" work culture, where employees feel the need to be constantly connected and responsive to emails and messages outside of normal working hours. This can lead to a lack of work-life balance and ultimately, burnout.

Reduced engagement

REBA Global (2018), notes that technology can sometimes create a sense of disconnection between employees and their work, which can lead to feelings of isolation and disengagement. This is even more prevalent when employees are required to use multiple systems and platforms to perform their job functions, which can be confusing and time-consuming.

In addition, when employees do not receive personalised training or coaching, they may struggle to perform their job duties effectively, which further embeds a sense of disengagement.

Increased turnover

When employees are disengaged, they are more likely to leave their jobs. This can lead to increased turnover, which is costly for organisations. According to a study by the Society for Human Resource Management, the time and tasks involved in replacing an employee can generate costs equivalent to between six and nine months of their salary. According to the Society for Human Resource Management (2019), the cost of replacing an employee can range from 50% to 200% of their annual salary, depending on their level of seniority and expertise. In addition, high volume or regular turnover can have a negative impact on the morale and productivity of the remaining employees.

Lower job satisfaction

When employees are frustrated with HR technology, they are less likely to be satisfied with their jobs overall. A study by the University of Warwick found that happy employees are 12% more productive than their unhappy counterparts. In addition, when employees are satisfied with their jobs, they are more likely to stay with the organisation long-term, saving the turnover costs mentioned above.

Reduced innovation

When employees are disengaged and frustrated, they are less likely to be innovative. They may not feel comfortable sharing their ideas or collaborating with others, which can hinder the organisation's ability to innovate and grow. In addition, when employees focus on administrative tasks rather than their core responsibilities, they may not have the time or energy for innovation or creativity.

How to Mitigate your Risk

So, what can you do to mitigate the negative impact of HR technology on employee experience? Here are a few suggestions:

Balance automation with human interaction

Organisations should strive to find a balance between automation and human interaction. While automation can make HR processes more efficient, it is important not to lose the human touch. Employees should feel like they are interacting with human beings, not machines. This can be achieved by using carefully tailored messages, offering coaching and training, and by providing opportunities for one-on-one interactions with their HR partner.

Personalise the employee experience

Organisations should endeavour to personalise the employee experience as much as possible. In certain organisations, where tight metrics are employed to monitor employee productivity, data analytics can identify employees' individual training needs. For example, organisations can use data to identify which employees are struggling with certain tasks and offer one-on-one training or coaching to help them improve.

Embrace flexibility

Organisations should embrace flexibility in their HR technology. This means selecting and configuring systems that can adapt to changing circumstances, such as remote work. This is best achieved by using cloud-based systems that can be accessed from anywhere, or by using mobile apps that allow employees to access HR information and services on-the-go.

Focus on user experience

Crucially, organisations should focus on user experience when designing their HR technology. This means specifying and evaluating systems to ensure they are easy to use, intuitive, and user-friendly. Applying the principles of design thinking, organisations should involve employees in the design process to ensure that their needs and preferences are considered.

Set Policies

Organisations can establish clear guidelines around the use of technology outside of working hours, such as limiting the use of email and messaging systems during evenings and weekends. In Australia, this is a common practice amongst larger organisations. A study by the Harvard Business Review found that employees who could disconnect from work-related communication outside of business hours reported higher levels of job satisfaction, better work-life balance, and improved relationships with family and friends.

Conclusion

HR technology has the potential to revolutionise the way we work, but it can also hinder the employee experience. When employees feel like they are interacting with a machine rather than a human being, they can become disengaged and frustrated. This can lead to reduced engagement, increased turnover, lower job satisfaction, and reduced innovation. To mitigate the negative impact of HR technology on employee experience, organisations should strive to find a balance between automation and human interaction, personalise the employee experience, embrace flexibility, and focus on the user experience. By doing so, organisations can create a more engaging and satisfying employee experience, which can lead to increased productivity, higher retention rates, and a more innovative and successful organisation.

As noted by REBA Global (2018), "organisations that recognise the potential for technology to empower their workforce, rather than hinder it, will be the ones that thrive in the years to come."

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