

Season 4 | Episode 1

# Live From HR Tech: Trish McFarlane on Overcoming HR Challenges



## Trish McFarlane

CEO and Principal Advisor at H3 HR Advisors/Co-Host, At Work in American podcast



## Tom Hammond

Vice President of Corporate Strategy and Product Management, Paychex

### Rob Parsons:

Welcome to season four of Paychex PULSE, an HR podcast, where HR professionals can find great insights on today's top issues and be inspired to build and lead effective teams in a healthier workplace.

### Rob Parsons:

Hi everybody, Rob Parsons here. Welcome to season four of Paychex PULSE podcast, and I'm so excited, we've got a series of special episodes to kick off the season. All recorded live, right here on the floor of HR Tech 2022. This first episode is exceptional. I'm pleased to have as our guests, Tom Hammond, Vice President of Corporate Strategy and Product Management here at Paychex and Trish McFarlane, CEO and Principal Advisor of H3 HR Advisors and also co-host of At Work in America podcast. Tom, Trish, thanks for joining us. Take it away.

### Tom Hammond:

Trish, it's great to be here at HR Tech. Man, does it feel good to be back in person or what?

### Trish McFarlane:

It's great to be in person, the energy is what's so different. Even from last year, it was in person, but still a little subdued. I feel like it's back bigger than ever before. I've heard someone call it not the new normal, but better normal.

### Tom Hammond:

I like that.

### Trish McFarlane:

Better than normal. I love it. So yes, it's good to be back.

### Tom Hammond:

Yeah. To me, the energy of the floor is what I love most about HR Tech. I love being able to tell the Paychex story and we just finished it with you. So-

### Trish McFarlane:

We did.

**Tom Hammond:**

What I wanted to do is just spend a few minutes talking about your impressions of what we covered over the last few minutes. I want to start with, we recently released our PULSE of HR and we had really three important themes. I want to talk to you about each one of those. The first theme was businesses, no matter big or small, are really challenged with hiring and retaining employees. Are you seeing that with the HR professionals that you're interacting with and with the clients of H3 HR?

**Trish McFarlane:**

I am, as you know, obviously the phrase, the great resignation. That's a true thing, it's happening everywhere. No matter where you live, you can find everyone looking for help. So it's definitely an issue. I think too, maybe even as you're hiring, we're seeing much higher turnover rates in that first year. So being able to have the data that you've collected, if I'm an HR leader, it's really helpful to go to my C-Suite and make some business cases, if you will, for maybe how we can approach things differently than we have before. Because it's a really challenging time and HR leaders, especially, are having to be more creative.

**Tom Hammond:**

So, we showed you Flex Hiring and Onboarding-

**Trish McFarlane:**

You did.

**Tom Hammond:**

And we also gave you some pretty impressive stats that we're really proud of. Probably the one I'm most proud of is through our digital transformation we onboarded 1.7 million work site employees last fiscal year, completely digitally. 80% of them did it on a mobile device. I was really interested in your reaction to that when we gave you those stats. Talk to me a little bit about what your impression is of that.

**Trish McFarlane:**

That's a surprising number, and I'm glad to see that it's so high. As someone who's been in business quite a long time, I have youngsters who are in college and they do everything on the phone. I know it's not just a generational thing or where you are in your career. But what I'm excited to hear about the 80% is that means that it's not just those people who are newer to the workforce doing the mobile transactions. That means that people my age, your age, are getting much more comfortable with doing things online, doing it mobile, doing it in the moment. Then going on with the rest of their day.

**Trish McFarlane:**

Instead of having to be tied to your desk, whether that's a desk at home, a desk in your office. Again, the 80% too, also invokes memories around the desk-less workforce. So many of the employees in this country are desk-less. I think the number's also around 80% right now. So that means that people who are in those type of roles, where they didn't even have a desk to go to can access what they need in the moment on their phone and be able to just move on with their day.

**Tom Hammond:**

Yeah. Is there anything that caught your eye in the user experience that we've created for flex recruiting, applicant tracking and flex onboarding that you'd want HR professionals or our sales and service teams to really hone in on.

**Trish McFarlane:**

What I like is that ... I'm going to use this word and I mean it in the most kind way possible. It's a simple look. I think sometimes what we get with technology is we try and add too much and it becomes noise. And employees get overwhelmed, the HR leaders get overwhelmed, other business leaders get overwhelmed with what they're looking at and they don't know where to look. So they sort of give up or put it off. I think what I like about this, it's a very clean, direct look at how you can move your employee journey from that first conversation all the way through to hiring, how you're onboarding. It's all right there on the one screen in front of me. Again,

you showed me obviously the phone opportunities to look at it, same on the phone. So I like that that was easy on both desktop and the phone. I think that people will really enjoy using it.

**Tom Hammond:**

Thank you for that, Trish. One of the principles of Paychex is Paychex makes it simple. Our entire UX design is predicated on trying to make it clean, crisp, and simple. So I'm glad to see that that's the jump.

**Trish McFarlane:**

It looks clean. I think that's it. I didn't feel overwhelmed. Obviously we're here ... at HR Tech, there's a lot going on with different technologies and it's all quite overwhelming. So I like that it got right to the heart of what needs to be done by the employee, right what needs to be done by leader and by the HR team, as well. So really efficient.

**Tom Hammond:**

Great. So let's go to the second theme that we heard from the Paychex PULSE of HR. That was really around operational efficiency. What we heard directly from the HR practitioners, the payroll practitioners and the business owners is really simple. Everything is more expensive now than it was 12 or 18 months ago. The value chain, the supply chain, the labor expense, the benefits, everything has increased exponentially. And businesses, again, of all sizes are looking for technology that can drive efficiency because they have less staff, they have less time, they're wearing more hats and they're looking for ways to drive efficiency.

**Tom Hammond:**

We showcased a few things to you. The first was Paychex Precheck. Can you talk a little bit about how you would have leveraged Paychex Precheck in your career as a leader of all functions of HR?

**Trish McFarlane:**

Yes. I think that's been my favorite part that I've seen from you today, really. Because for anyone who has had to check payroll, it is an hours or even days long process because there's so many checks and balances you have to do, and it doesn't just involve the leader, it's usually your head of payroll as well. Sometimes your CFO. It's just a multi-person, multi-hour or day process.

**Trish McFarlane:**

What I saw you show me. I mean, if I had had that seven or eight years ago when I was doing this as my day job, that would've literally cut out two days of my work. So the fact also too, I think the accuracy is so critical, especially when we're talking about payroll. The fact that you've got the system that's checking those for you. Even me was really good, but human error does come in at time to time. Again, you don't want to mess up someone's pay, it's very important. You mentioned the thing that everyone's getting more expenses because of just groceries are going up, gas has gone up. You want to know that you can get your payroll, it's accurate, there's no delay. So to me, I think it would also cut down on any kind of issue where maybe they're not being paid properly.

**Tom Hammond:**

What I'm most excited about, you nailed. That's what we're seeing is about 6% of the employees that are leveraging the tool to confirm the accuracy of their check are actually finding an error. That is really driving efficiency for the payroll functionary and the HR administrator. We like to call it, they're actually saying to us, have my Friday back. Most people pay on a Friday. And if you have one, two, three or more payroll errors on a Friday, you spend the majority of your Friday doing nothing but trying to rectify that. The fact that we are eliminating that beforehand is driving a 20% productivity back to those-

**Trish McFarlane:**

That's amazing.

**Tom Hammond:**

Practitioners. So really astute.

**Trish McFarlane:**

That's substantial value, too. I mean, I think that often in HR, we look to measure things differently so that we can go back to the C-suite or even maybe just the CFO and show that what we're doing is actually adding value. Not just to our time, but to the employee's time. You mentioned the productivity, I think that would be such a great tool to be able to go back and show the C-Suite. Yes, this is actually working. It's not just a theory.

**Trish McFarlane:**

I sort of grew up for 20 years in HR, where a lot of what I talked about was theory. This is just sort of what HR people think is happening and then you had to wait and hope and pray that that's what happened. I like that now you don't have to do that anymore. There's no waiting game. You know the night before, whether it's going to be correct or not. Well, actually you know every day. You can look every day if you wanted to and have to be correct.

**Tom Hammond:**

Staying on that productivity theme, I'm really excited about the Paychex Voice Assist. So we released that as our showcase offering for HR Tech earlier this week. And Voice Assist to me is a game changer. So it provides an opportunity for an HR professional to really take three different use cases traditionally done through the user experience and eliminate that user experience using just your voice. So the first one is being able to look at tasks. So, you would be standing at your kitchen counter or in an airport, one of your children's sporting events, on your way home in your car. You could say, "Hey, Google, do I have any tasks to approve?" We may showcase things like, "Yes, you have a rate change for employee number X. Would you like to approve?" Right then and there, you can actually say, "Yeah, I'd like to approve it." What does that mean to you as an HR professional?

**Trish McFarlane:**

For years we've talked about ... in all of these events that people go to, about how we need to have a consumer-like experience, and that's what you've done. Because people are now used to at home, maybe talking to their Alexa device or their Google device to shop, to get information, to resolve issues in their personal life, their home life. So now being able to have that in my work life too, it's absolutely amazing. I mean, I'm stunned.

**Trish McFarlane:**

I was thinking back when I was leading payroll, as well, I had an hour and a half commute each way. There wasn't much you could do on that other than maybe listen to podcasts or get on a phone call. If I'm thinking about I could actually be approving my payroll, doing other tasks all with my voice while I'm driving. By the time I walk into the office, all of those hours of work are off my plate so that I can actually do some of the more strategic HR role, like who wouldn't want that? Really.

**Tom Hammond:**

Game changer.

**Trish McFarlane:**

It's a game changer. It's just a whole new game, really. I mean-

**Tom Hammond:**

I agree.

**Trish McFarlane:**

It's not even a game changer. I think it just goes beyond what we've ever had.

**Tom Hammond:**

Thank you for that. Last one is the complexity of running a business. So, we heard loud and clear is the third theme of the PULSE of HR. Well, federal legislation has decreased, the states have increased significantly. And the complexity of running a business that's typically now short staffed has become even more and more complicated. What Paychex has really spent a significant amount of time on is, how do we relieve that administrative burden? One of the things I'm probably most proud of is our work in the early days of COVID with

the PPP process, we had over 300,000 clients that leveraged us to help them get access to a PPP loan. 96% of them have now received full forgiveness because of our technology. And that is-

**Trish McFarlane:**

Congratulations.

**Tom Hammond:**

Thank you.

**Trish McFarlane:**

I mean, take a pause there because that's huge. Not just for Paychex to be able to say we help facilitate that. But for those employees that work for those companies to know that they've got all of that off of their plate, not have to worry about that. Absolutely.

**Tom Hammond:**

About six months ago, we introduced a service, a new solution for Paychex called the Retention Tax Credit Service. We've helped tens of thousands of businesses at this point, gain access to \$8.5 billion in retention tax credits. It still seems like that is a nuance that most business owners aren't aware of, that they're not fully understanding that. Are you seeing that in the HR world, as well? That there's a misunderstanding of the availability of that.

**Trish McFarlane:**

Absolutely. I think even when HR didn't know that certain tax credits were available even years ago, it's like once you figure that out, you have a much better business conversation with your CFO, with your CEO than ever before. Because you're no longer just a cost center, you're adding value back into the business by saving money on tax credits. So again, that's very difficult to do in a manual type approach. So, having a partner who can actually help me and prompt me and demonstrate with measurements that show the rest of the C-Suite, we are actually saving money through these tax credits. Again, you're talking about a lot of game changers here, but that's what I'm saying. It's a whole new ballgame with you.

**Tom Hammond:**

Trish, I'd love to spend all day with you because I think we could talk about so many topics.

**Trish McFarlane:**

We could talk all day.

**Tom Hammond:**

I love it. But I'm going to let you get back to your day. I just want to say thank you for your supportive of Paychex. Thank you for your leadership in HR. And thank you for continuing to look for opportunities to talk about what would make a difference for America's businesses. So great spending time with you.

**Trish McFarlane:**

Thank you so much. You, as well.

**Rob Parsons:**

What a great conversation. Loved all the topics they were talking about, the simplicity of the software, the importance of the experience. All just really relevant issues right now with all the challenges HR teams are facing. Great way to kick off the season. I want to thank you all for joining us. I'm really looking forward to a great season of the Paychex PULSE podcast. And as always, please stay happy and healthy.

**Announcer:**

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