

Season 4 | Episode 3

# Live From HR Tech: Stacey Harris on HR Technology Trends



## Rob Parsons

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## Stacey Harris

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### Rob Parsons:

Welcome to season 4 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 everyone, Rob Parsons here. Welcome to the Paychex PULSE Podcast. Today, we're live from the floor of HR Tech 2022, and I'm joined by Stacey Harris, Chief Research Officer of Sapient Insights Group. And Stacey, you had the keynote address this morning introducing the annual HR Systems Survey, the 25th one.

### Stacey Harris:

Yes.

### Rob Parsons:

Very much an esteemed project, so thank you so much for joining the podcast today.

### Stacey Harris:

Thank you for having me. I love having an opportunity to talk about the research and meeting with your audience.

### Rob Parsons:

This is great. I want to start just by in general, what are you seeing at the show? What's interesting? What's standing out this year at HR Tech for you?

### Stacey Harris:

Well, I think, it showed up in our data too, but it's definitely here, is that we're seeing a lot more small businesses here at the event, which I think obviously, Paychex, it makes a lot of sense. You guys obviously see them, but I'm seeing them all over the place, and the conversation about SMB picking up technology a lot earlier in the process. We're seeing companies as small as five employees these days pick up HR technology, and having three to five solutions to manage things like what's going on with their payroll, but also time and attendance and things. So, I think it's really nice to start to see that we're thinking about the entire HR tech ecosystem at these events, not just the big guys who can afford the big stuff.

**Rob Parsons:**

That's a very interesting point. I like what you touched on too about these five different systems. What has your research revealed about point solutions versus that all in one approach, and I've got it all in one place in my hand?

**Stacey Harris:**

Yeah. I mean, small businesses are definitely more likely to want to get something from all one vendor. I mean, I think that's just, they don't have as many HR resources, they don't have as many hands, but we do find in general that it's really hard to get everything from a single vendor. Our data have definitely shown that kind of the one source may not be the panacea we thought because what happens is that some of these innovative technologies come out in some very small vendors who you might want to connect with and integrate with. And so we generally find that you'll find one system for your big needs, for payroll, time and attendance, and benefits, especially in small businesses, if they've got a service provider.

**Stacey Harris:**

Services are really big to the SMB market, particularly those under 500. And so an organization that can provide those things connected is big and I'm not doing a commercial for Paychex. I know that's a big part for what you guys do. It's just what we're seeing in our data. That's important. But we're also seeing that those organizations are interested in touching some of the emerging tech stuff. They've got to keep talent too. So they want some of the new learning tools. They want some of the really cool stuff that has to do with skills management. They want some of the stuff that's behavior assessments that are going to help them find the right talent. And so, I think we see a good mix of different types of applications.

**Rob Parsons:**

So you gave the keynote this morning on the research.

**Stacey Harris:**

Yep.

**Rob Parsons:**

What were some of those highlights? What did you share with the audience? I know it's a deep study, you've been doing it for a lot of years, but you can't give it all away.

**Stacey Harris:**

Yes. Yeah. We just touched that, the tip of the iceberg, even here at the session, when we deliver it. It has been running for 25 years, but over the last five years I'd say we've started to get more and more data from the SMB market. So I think this year what was really nice is we've cut our data a little differently. So we have a group now that's 500 and below and I had so many people come up to me and say, "It's so nice to see something that relates to me." And what we found is that for that level of organization is that there's a couple of things that they're sort of struggling with.

**Stacey Harris:**

They're definitely not going to be increasing their HR technology spend as much as larger organizations. We saw a little bit of decrease. So the recession isn't hitting the entire HR market, but I do think that small businesses are being more conservative, which I understand. I own my own company too, so I know you got to kind of really think about where the money's going to be flowing.

**Stacey Harris:**

But we aren't seeing them completely stop spending. So we're seeing investments in recruiting. We're definitely seeing investments in the area of benefits and skills management, which I think is sort of interesting for that audience. But the one I thought really was interesting is that performance management came into our top five areas they're going to be spending. We have never seen performance management in the under 500 group, at least not in the last six years that I've sort of been looking at that data.

**Stacey Harris:**

I think where that's coming from or what we believe it's coming from is the hybrid workforce, is that smaller businesses are trying to figure out how do I manage performance in this new world where they're not in front of me every day, where I don't want to be checking everything they're doing on the computer, but I still have to figure out what performance management looks like in that world. Technology seems to be the answer for that. So those are some of the big things I think for the SMB market.

**Stacey Harris:**

We also did do a really big pitch this year, and I think SMBs are right in this mix is 55 by 25. So if you hear that around today, we've been sort of stuck in the HR space for a long time where just 46% of the market feels that they're seen as strategic partners to their businesses. For small businesses, a lot of times that might be one HR professional, and they're really important to that senior leader, but for some reason we feel like we're just at that not getting over the hump of 50% of the market. And so we've made a challenge to everybody, including the vendors as well as the consulting firms and the brokerages and all the companies out there, we want all of everybody to help get the community to the point where HR is that strategic partner, not just at the table, but there when the big decisions are being made, and that's a conversation I think we're going to be having for quite a few years.

**Rob Parsons:**

I think that makes a ton of sense, especially with everything that's going on with the workforce retention, attraction being so critical right now. Just by necessity, the ability to get the right people and get more out of those people is critically important.

**Stacey Harris:**

Yes. So there's no reason for HR not to be a strategic partner. The biggest issue we're finding is not so much that they can do it, the CEOs wanted to do it. It's the amount of time and tasks on their plate. They're so busy. We had a whole slide about how much we're back up to 2019 volumes as far as productivity and where the market's at. What I think the community needs to do as a whole is figure out a way to help the HR professional take things off their plate so they can be that partner. CEOs want it, HR has the skillset, we just need to get to the point where we get some things off their plate.

**Rob Parsons:**

I really like hearing that automation, efficiency, productivity. It isn't just about the workers. It's about the HR leaders who are, like you said, trying to get somewhere more strategic, but it takes time.

**Stacey Harris:**

Yes, definitely.

**Rob Parsons:**

So I wanted to talk a little bit about experience too. The employee experience, it seems to be a real highlight of the show. It's something I'm very interested in, but it also means a lot of different things to a lot of different people. Let me talk. Tell me what you are seeing and hearing about that.

**Stacey Harris:**

Everybody has an experience story. It reminds me, I mean, for anybody who's been around for a while, in 2006, you came to everybody on an integrated talent story then right. Experience does mean different things to everything, and every company has to come at what the experiences they want for their employees based off of their culture. And so I think that's been part of the challenge is that the vendors are trying to put a box around it. And when you really think about it is an organization's approach to service delivery.

**Stacey Harris:**

There are some people out there saying, "Well, HR service delivery is dead and we're just going to be all..." I'm like, actually, no, it's so alive right now. And you have to think about it in terms of the dynamics you want in

your organization. So are you a high-touch organization or are you kind of low-touch? Do you want people to work more self-sufficient or do you want them to work more collaboratively? And when you figure out those dynamics and the business outcomes you're trying to achieve and the personal outcomes you want your employees to achieve, then you can start to figure out what that experience looks like because it's really only a couple things. It's the journeys, it's the workflows for your employees, it's the front door to the HR function, it's the processes that they're going to be going through. Those are all part of that experience.

**Stacey Harris:**

Any number of tools can provide that. I think there are some, like I said, vendors who are trying to put box around it and I get it that they want to be the next kind of cool thing that you're going to buy, but you could use your existing payroll systems to do some of this, your existing HCM systems to get a really good experience as long as you know what you're trying to achieve. And sometimes you might need a new tool set to do. Sometimes you might need one of these feedback tools or communication tools or something that gives you better tool sets. So it's a broad conversation and the buyers are confused.

**Rob Parsons:**

I'm glad you brought up the buyers. Being here at the show, there's a lot going on, there's a lot to look at. Reviewing research like yours, great place to start, but what advice would you give a tech buyer today? Especially maybe I'm 500 and under, I don't have all the resources. What advice would you give to help me be a better tech buyer?

**Stacey Harris:**

Well, we asked this year who helps you make decisions in HR technology buying? And 60% said, my friend, somebody I know.

**Rob Parsons:**

Referrals, referrals, referrals.

**Stacey Harris:**

Yes. And not to say that's a bad thing, but I think unfortunately a challenge is that, you go ask another small business person, you ask someone else, and their culture, what they need is different. And so then you go, okay, well I'll try that company. I really tell small business one, there is a lot of good data out there in the market. Download it free. Our survey is available after October. You can download it, but I think there's other ones out there as well.

**Stacey Harris:**

I think two is get involved in the community if you have time. So go to events like SHRM, like your local chapters, go to events like this where you get to see the products without being in a sales pitch model because I think a lot of times we don't know enough to know what we're missing inside of our company. And so I am a real advocate of watching demos.

**Stacey Harris:**

And then I think the next thing after that is really every company should have a strategy for HR technology before they start buying. And I know that's hard because you're like, I need payroll, I need to get time and attendance, but you really have to think about what the outcome is. Do you want people to more efficiently to clock in? Do you need people to project management? Because you might buy the wrong tool if you don't figure out that strategy and outcome, and that little bit of extra time up front will save you a lot of headaches on the back end.

**Rob Parsons:**

Love it. And it really even goes back to what you were saying about experience. I really love how thoughtful you lay it out. It really makes a lot of sense to me.

**Stacey Harris:**

Well, I'm very glad. It's a passion for me as you can tell. I was in their seats. I'm now in the seats as a CEO running my own company, or not CEO, but a partner with my CEO. When I was a practitioner, it was overwhelming and I always looked for different ways to figure out better information to help me out, so I get it.

**Rob Parsons:**

That's great. One last thing you touched on, I want to remind our listeners, the community of HR professionals. I think a lot of times HR professionals, especially 500 employees and under alone, and that can be tough, that can be overwhelming. Ally Stevens, our director of HR services, really advocates for reaching out to the community, joining these online communities, coming to events like this because you can learn so much from your fellow practitioners.

**Stacey Harris:**

It makes a difference. And your vendors are a good source for some of that community, but so are associations and so are events like this, going to workshops where you get a chance to talk to people. All of that is valuable because again, having someone else you can bounce information off of is a really great way to start to think about, boy, I didn't even think it could be done that way. Right. Yeah.

**Rob Parsons:**

Thank you. Thank you, Stacy, for joining the podcast. This was great.

**Stacey Harris:**

Thanks for having me. Yeah.

**Rob Parsons:**

Could you tell our listeners where they can find the report when it becomes available in October?

**Stacey Harris:**

Yep. So the report will come out about mid-October and they can go to [SAPinsights.com](https://sapinsights.com) and there'll be a big old button right on front where they can download it. All we do is ask for an email just so we know who you are and we can send you the survey next year and hope you take it. That's our biggest thing is if we get data from you, we can give it back. So our big ask is please participate in the surveys.

**Rob Parsons:**

That's great. Thank you once again.

**Stacey Harris:**

Thank you. Thanks for having me.

**Rob Parsons:**

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