

HR Software Guide

The ultimate guide
for organisations



Personio

Contents

- 01 HR is the cornerstone of organisational success**

- 02 Consider these seven things before purchasing an HR software**

- 03 Navigating the software market: The right model for your team**

- 04 HR software providers: What features do you need most?**

- 05 Choosing an HR software: Best practices**

- 06 Invest in an innovative, all-in-one solution**

HR is the cornerstone of organisational success

When it comes to your organisation, everything starts with people. Research from Deloitte reveals that companies which prioritise their workforce

are 57% more effective and experience higher retention rates, with employees who are 87% less likely to leave. To bring that kind of focus to the

fore, HR software can play a pivotal role. In short, it can empower teams to focus their attention solely on their employees. Here is how it helps:

Streamlined HR processes

By automating and digitising tasks like onboarding or employee information, HR software significantly lightens the administrative load on teams. → **This frees up more time for employee support and strategic HR programmes.**

Enhanced talent management

HR software enriches experiences across the entire employee lifecycle – recruitment, onboarding, performance management and more. → **Well-defined career plans and frameworks are instrumental in attracting, developing and retaining high-performing and high-potential talent.**

Performance and remuneration

HR software enables companies to run performance reviews, goal-setting exercises, rewards programmes and preliminary payroll tasks efficiently. → **This ensures a transparent and fair assessment of employee performance, along with equitable bonuses and remuneration.**

Insightful data analysis

Companies can gain invaluable insights into critical trends like headcount, employee engagement, turnover rates and more important metrics → **This gives teams what they need to make data-driven decisions that bring their work forward and power business success.**

"We've been able to reduce the time that our reporting takes by 100%. That has taken away a lot of our admin time in that area."

Nicole Grief
HR Generalist, Core

Critical insight

A staggering 64% of HR managers report that they can't find time for strategic HR work, largely due to being bogged down with administrative tasks.

The case for digitising your HR today

HR software offers a wealth of benefits. But all too often, other pressing concerns, resistance or budget constraints get in the way. The following makes a compelling case for why you – and your C-suite – should adopt HR software sooner than later:

Higher likelihood of human error

Excel spreadsheets are shared, edited and bounced back and forth among numerous colleagues. This makes them far more susceptible to errors that, in turn, result in poor decision-making or data security risks.

Inefficient decision-making

The absence of easy access to critical HR data slows down decision-making processes, impacting both operational efficiency and overall alignment with your top-line business strategy.

Delayed recruitment

In the absence of software, job vacancies linger for extended periods, largely due to a lack of visibility into which recruiting channels are most effective.

Projects aren't completed in time

The slow pace of recruitment, especially in critical areas like IT, can hamper project timelines and negatively affect your turnover.

Retention lags and turnover skyrockets

Warning signs like frequent absenteeism are often only spotted when employees are already heading for the exit. In fact, the departure of even a single team member can cost companies as much as £36,926 (€43,069).

Reading tips:

- [Blog: The biggest cost drivers in HR and how to reduce them](#)
- [One pager: The hidden dangers of slow HR](#)
- [Guide: How to take HR from process to purpose](#)

Consider these seven things before purchasing an HR software

Whether you're making the switch or purchasing your first HR software, whatever new solution you choose should possess the requisite features to support and enhance your company's unique HR processes and long-term goals.

Best Practice

Discover how Personio has helped 10,000 organisations streamline their HR processes and gain back time for strategic work.

Pay close attention to the following criteria:

Ease of use

Any software should be intuitive and user-friendly for both HR personnel and employees alike.

Compatibility and integrations

Ensure that the software can be seamlessly integrated with other workplace apps, like your internal communication tools.

Security and data protection

Any platform should offer robust security measures to safeguard confidential employee information and remain compliant with data protection regulations.

Scalability

Look for software that is scalable, capable of growing with your company and adapting to an increasing number of employees and evolving processes.

Reporting and analytics

A great software will offer comprehensive reporting tools to enable HR and other departments to make informed decisions and identify emerging trends.

Support and customer service

Opt for a provider that offers dependable customer support to help resolve any issues or answer any queries that may arise.

Cost and value

Ensure the cost is commensurate with the features and benefits offered. Assess the software in terms of its ability to optimise your processes and boost efficiency.

Navigating the software market: What's the right model for your team?

01 · All-in-One

Ideal for

Small businesses, SMEs and growing HR teams

Cost implications

Variable, depending on the provider and range of services; lower upfront investment due to prevalent subscription model structures.

Key benefits

- An integrated platform offering a full suite of HR functions.
- User-friendly, swiftly deployable and scalable.
- A cost-efficient approach to centralising and optimising HR processes.

02 · On-Premise

Ideal for

Larger corporations with extensive IT resources and a desire for complete control over their own data architecture.

Cost implications

Higher initial investment required for hardware, licences and maintenance. Additional costs incurred for functional expansions and implementation.

Key benefits

- Full control over the HR software and in-house data management.
- Optimal for companies requiring highly-customised solutions.

03 · Enterprise SaaS

Ideal for

Large, globally-distributed companies with teams spread across different locations

Cost implications

Variable, depending on the provider and scope of services; lower upfront investment due to subscription model.

Key benefits

- A cloud-based solution that is both scalable and flexible.
- Significant reduction in internal IT and maintenance costs.
- Broad array of features to meet complex business needs.

HR software providers: What features do you need most?

A helpful tip is for your team to map out all of your core HR processes (both the ones you currently manage and the ones you'd like to introduce). This will give you a solid baseline of what you need now and in the immediate future.

In the following sections, you'll find an overview of key functionalities that your chosen HR software should ideally offer. Use this as a guide to orient yourself and to help make an informed decision on which provider best meets your specific needs.

Core processes					
Personnel management	Personio	Provider A	Provider B	Important	Optional
Digital personnel files	✓				
Staff/calendar overview	✓				
Organisation charts	✓				
Document management	✓				
Template-based creation of certificates or employment contracts	✓				
Preparatory payroll accounting	✓				
Reporting and analytics	Personio	Provider A	Provider B	Important	Optional
Configuration of user-defined reports	✓				
Selection of predefined reports (number of employees, salary history, absenteeism rate etc.)	✓				
Schedulable dispatch of reports	✓				
Export as Excel file	✓				

Core processes						
Automations	Personio	Provider A	Provider B	Important	Optional	
Request & embed electronic signatures	✓					
Initiate onboarding & offboarding processes per position	✓					
Automatic reminders of important deadlines	✓					
Access and permissions	Personio	Provider A	Provider B	Important	Optional	
SSO login for employees	✓					
Two-factor authentication	✓					
Role-based data access	✓					
Login with oAuth	✓					
Absence management	Personio	Provider A	Provider B	Important	Optional	
Different absence categories, e.g. holiday, illness, maternity leave	✓					
Calendar overview	✓					
Independent application by employees (Employee Self Service)	✓					

Core processes

Absence management	Personio	Provider A	Provider B	Important	Optional
Individual approval processes	✓				
Representation regulation	✓				
Simple cancellations	✓				
Automatic attestation requirements	✓				
Time recording	Personio	Provider A	Provider B	Important	Optional
Store individual working time model	✓				
Independent time recording by employees	✓				
Hour-based calculation of salaries	✓				
Calculate and pay overtime	✓				
Definition of individual approval processes for attendance	✓				
Record working time via desktop or app	✓				
Integrated shift planning	✓				

Add-Ons

Recruiting · Applicant sourcing	Personio	Provider A	Provider B	Important	Optional
Career site with individual design	✓				
Automatic multiposting	✓				
Customisable applicant mask	✓				
Performance tracking of recruiting channels	✓				
Recruiting · Applicant management	Personio	Provider A	Provider B	Important	Optional
Automatic sending of e-mails to applicants	✓				
E-mail templates for cancellations, confirmations of receipt, etc.	✓				
CV parsing	✓				
Prioritise candidates using tags	✓				
Feedback process that can be automated	✓				
Individual evaluation forms	✓				
Automatic reminders to involved team members	✓				

Add-Ons

Talent management	Personio	Provider A	Provider B	Important	Optional
Automated performance cycle	✓				
Planning & conducting staff appraisals	✓				
360 degree feedback	✓				
Definition & documentation of quantitative and qualitative staff objectives	✓				
Standardised templates and rating scales for fair assessments	✓				
Central training management	✓				
Data-based salary increases	✓				
Talent Management	Personio	Provider A	Provider B	Important	Optional
Process employee queries centrally	✓				
AI chatbot for immediate processing of enquiries	✓				
Create trustworthy channels for reporting grievances (whistleblowing)	✓				
Create, send and evaluate regular employee surveys	✓				

Does your HR software need artificial intelligence (AI)?

Artificial intelligence (AI) can give your efficiency a massive boost. This table offers an overview of when AI is worth embedding into your HR processes.

Ideal for HR teams...

- **Handling numerous applications:** AI aids in applicant pre-selection based on specific criteria.
- **Managing many recurring tasks:** AI can play a key role in automating these tasks, enhancing overall efficiency.
- **Optimising for employee experience:** AI-driven chatbots can quickly answer employee queries.
- **Personalising employee development:** AI can recommend customised training programmes and initiatives.

Less suitable for HR teams with...

- **Limited resources:** The cost and time required to implement and maintain AI technology may be hard to justify.
- **Low data availability:** If there's insufficient data or the data quality is poor, AI's effectiveness may be compromised.
- **Very specific tasks or processes:** Developing AI models to meet very specific requirements may be challenging.
- **Constant structural changes:** Adapting AI systems in such scenarios could be both time-consuming and expensive.

“It is now very easy for our employees to make a request to HR, while our people teams have been able to increase their efficiency enormously.”

Erika Werle
People Operations Manager, ABOUT YOU

Our recommendation

Leverage AI in a supportive function to help optimise for HR service delivery. AI-Powered Answers, as part of Personio Conversations, can do exactly that.

Choosing an HR software: Best practices

Familiarise yourself with multiple HR systems and providers by scheduling demos, attending webinars or setting up free trials. Doing so will allow you to understand various functionalities better and enable a more effective comparison.

Here's what we'd recommend to keep in mind

1. Stress test your solution to uncover any inherent limitations.
2. Determine how well the solution can be tailored to match your specific needs.
3. During demos, focus less on individual features and more on overall processes.
4. Ask for case studies that reflect your particular challenges, company size or industry.
5. Consider the overall mission of potential providers. You're not merely purchasing features; you're investing in a vision and a bigger picture.
6. Inquire about innovations, roadmaps and plans to build out your potential solution into the future. A suitable provider will always build on their core offering.
7. Enter any sales conversations with a plan. Knowing what you need now and in the future will guard you against tactics like needless upselling or potential overselling.



Getting internal stakeholders on your side

As good as an HR solution is in your eyes, it needs the approval of upper management. These nine steps will help you to convince even the toughest internal stakeholders.

1. Identify stakeholders and their concerns. For example, C-level executives might be focused on processes, integration and budgets.
2. Establish goals and shared objectives. Highlight the impact of HR issues and process gaps on broader business success.
3. Tailor arguments for respective stakeholders: Use guiding questions like “How does HR software mitigate business risks?” to structure your case.
4. Clarify the tangible benefits of HR software. Begin with a general overview, then delve into why the software is advantageous for your team’s specific needs.
5. Showcase features and their outcomes. For instance, how multi-posting could mean reaching a broader pool of candidates and bringing in more top talent.
6. Demonstrate the business value of software. Back your claims by comparing performance metrics before and after the software’s implementation.
7. Highlight long-term business benefits. Calculate the software’s cost and indicate the point at which it will have paid for itself (ROI).
8. Reinforce your arguments with success stories. Existing users of the provider can offer invaluable support for your case.
9. Summarise your strongest points. End your presentation by bringing all your most compelling arguments together.

BEST PRACTICE

Try this template to put together your own HR business plan to further strengthen the argument for a great HR software solution.

[Try now](#)

Planning your purchase and rollout

Once you've secured approval for your ideal HR software, the next step is to prepare for implementation. In this phase, HR should take the helm, guiding the change management process and coordinating with all stakeholders.

Be sure to forge a strong partnership with your provider. They'll be the ones walking you through all the key stages and assisting in making implementation as seamless as possible.

Key steps for preparation

1. Define milestones: What objectives are to be met, and in what sequence?
2. Allocate resources: Identify the support you'll need and when.
3. Sort out internal dependencies: Confirm all key stakeholders are on board.
4. Clarify external dependencies: Understand the training sessions or orientations that the provider has planned. What does their implementation schedule look like?
5. Set expectations: Discuss your specific expectations with your provider.
6. Ready your personnel data: Determine where and in what format your existing data resides. Identify any data that still needs to be prepped for implementation.

Best practice

As part of Personio's implementation process, we focus on speed and knowledge transfer - which is why we have one of the best time-to-value among HR software providers

Invest in an innovative, all-in-one solution

As an all-in-one HR software solution, Personio elevates your HR operations across the entire employee lifecycle. It can introduce new levels of productivity in hiring, onboarding, developing, training and paying your employees more effectively.

Achieve more by building automation and innovation into all of your HR tasks and processes. Ultimately, helping your team make time for what matters: your people.

[Speak with an expert today](#)