

# HR Technology Competencies: New Roles for HR Professionals

By Jennifer Schramm



**Abstract**

The development of HR technologies and workforce analytics is helping to transform HR into a decision science with a measurable impact on business results. The expanded use of the Internet for the delivery of HR applications, especially on a service basis, is also emphasizing the importance of HRIS for organizations of all sizes. This may drive the demand for simplicity as more non-HR professionals have access to these tools, while at the same time creating new roles for HR professionals and the imperative to develop strong HR technology competencies.

Until recently, the use of HR technology and workforce analytics applications was concentrated in larger organizations. Increasingly, the effective use of technology is a key determinant of the successful management of human capital in organizations of all sizes. The ongoing development of technology, complemented by more savvy use of the Web, is enabling smaller organizations, as well as non-HR managers and executives, to have access to tools, such as automated payroll, time and attendance systems, application tracking/recruitment software, networks and intranets, that ease communication of benefits and facilitate employee self-service and workforce data and analytics. In addition, there is growing evidence that organizations that are able to make the best use of HR technology are able to save costs while maintaining the quality of customer service by reducing the time and resources dedicated to HR administrative tasks. An emphasis on the role of technology in bringing down HR costs and administrative burdens, along with the opening up of the HR space to non-HR professionals through the use of technology, could have a significant impact on the profession in the years ahead and will require all HR professionals to improve their knowledge and skills in HR technology.

Wayne Brockbank and David Ulrich of the University of Michigan Business School have singled out mastery of HR technology as one of the five competency domains for HR, along with strategic contribution, personal credibility, HR delivery and business knowledge.<sup>1</sup> Increasingly, the effective use of HR technology also supports the development of each of these other competency domains. This occurs for several reasons. First, because technology is fully embedded in so many aspects of business management, understanding the use of technology in all areas of the business, and particularly in relation to human and organizational capital, enables HR professionals to speak the language of business in an environment that is increasingly technology-driven. Second, the implementation of technology often leads to new ways of collaborating, organizing work, building teams and developing new knowledge and skills, and this can help further build organizational and human capital. Finally, the effective use of technology can help streamline processes that once took up a greater proportion of the HR function's time and energy, leaving more resources for the other

four competency domains—particularly strategic contribution, the competency domain shown to have the biggest impact on profitability.

According to Brockbank and Ulrich, the key ways HR professionals must learn to leverage HR technology will be to “provide faster services to their internal clients on a global scale, reduce the costs per transaction, provide centralized services and information that will make it easier to manage and leverage the total workforce, [and] spend more time focusing on making strategic contributions.” The importance of HR technology competencies to the success of HR professionals in the years ahead is also an underlying theme in the SHRM Special Expertise Panels trends, which are submitted to SHRM from its 12 panels of subject matter experts each year.<sup>2</sup> From the HR Consulting/Outsourcing to Organizational Development and, of course, Technology and HR Management Special Expertise Panels, most of the panels cited some aspect of technology as having an impact on their subject area and urged HR professionals to continue to work on improving their skills in using HR technology effectively.

New research indicates that companies with the most high-performing HR function behave differently when it comes to the use of HR technology, and this may be the most convincing reason for HR professionals to improve their knowledge and skills in this competency domain. A recent study from a global business process advisory firm, the Hackett Group, found that “a significant cost gap exists between world-class and typical companies, with world-class companies now spending 25% less than their peers.”<sup>3</sup> The high-performing companies examined for this study, which were defined as companies ranking in the top 25% in efficiency and effectiveness metrics, also operated with 16% fewer HR staff. More efficient use of IT was considered a major factor behind the ability of these companies to operate with lower costs and fewer HR employees. Self-service technology appeared to play a role in these higher levels of efficiency and productivity, but another key factor was that the HR leaders in these companies had a deep understanding of technology and made a strong effort to derive as much value as possible from the technologies they implemented—often through simplifying systems. Another finding from the research was that HR leaders from the companies

performing in the world-class category were more likely to report directly to their CEOs. This could mean that HR leaders with direct access to their CEOs may be in a better position to ask for the resources needed to implement highly effective HR technology systems. Although economies of scale could play a role in bringing costs down, given that these world-class organizations actually showed less technology expenditures per head, another possibility could be that demonstrating HR's value through cost reductions and improved productivity through the effective use of HR technology helps HR leaders prove their strategic value to the top leadership of their organizations.

Cost reduction without loss of effectiveness or decline in customer service also seemed to be the main benefit of the use of HR technology in an empirical study of five large companies using Web-based human resource management.<sup>4</sup> The researchers use the term e-HRM, which they define as “a way of implementing HR strategies, policies and practices in organizations through a conscious and directed support of and/or with the full use of Web-technology-based channels.” The findings indicate that the most significant way that the use of e-HRM brings down HR costs is through the elimination of administrative HR positions and by enabling HR professionals to spend more time on strategic decision-making that ultimately leads to more efficient HR practices that further save costs. This is in line with the two most commonly stated goals the five organizations reported in relation to the use of e-HRM: to achieve cost reduction and to improve administrative productivity rates. Standardizing HR practices across operations and borders was another key goal. This was particularly relevant to organizations that had operations in many different countries, especially in the case of widely varying employment legislation. With the pace of globalization continuing to accelerate, it seems likely that the goal of HR practice standardization will become more important.

According to the study authors, there appears to be a gap between the e-HRM that is made available and the actual adoption of it by employees and line managers. This makes it more difficult to measure the actual impact Web-based HR applications have had on easing the administrative burden. If these tools have simply pushed HR tasks out onto an unwilling employee and management population that do not make full use of them, the adoption of these technologies as a way to improve efficiency may be less successful than it may at first appear. In spite of these caveats, the organizations studied continued to invest in these technologies due to their overall perception that

they had met their primary goals of cost reduction and the easing of the administrative burden.

#### **Workforce Analytics and HR as a Decision Science**

Not only does the development of workforce analytics such as cost per hire, time to fill, absence rates, benefit costs per employee and other metrics change the way human capital issues are viewed outside of the HR function, it is also helping to transform HR into what is known as a “decision science.” HR as a decision science means that as a function it has analytical rigor and empirical precision with a measurable impact on business results. The use of workforce analytics supports this by helping to define what is to be measured in order to better understand the return on investment of HR programs and processes and using the data derived from these measurements to make further improvements and drive change as it relates to human capital and talent. As Boudreau and Ramstad write in their work on a decision science for human capital talent, “the marketing decision science enhances decisions about customers, and the finance decision science enhances decisions about money, so a talent decision science should enhance decisions about talent, both within and outside the HR function.”<sup>5</sup>

The evolution of HR into a decision science depends largely on the ability to measure human capital accurately because, according to Flamholtz, “without measurement, the human capital notion is just a concept and difficult to apply in the real world.”<sup>6</sup> Increasingly, measurement and application depend on technology, especially when forecasting or using complex calculations that take into account a large amount of data. As a result, new technical applications are being developed across HR functional areas and may be used to better link HR functions. For example, workforce analytics were first developed with a significant focus on the cost of benefits and compensation, while knowledge management systems were developed to track and measure company skills, knowledge and the effectiveness of training programs. As human resource technologies evolve, it will become easier to link human capital measurement systems and, in so doing, better understand how different types of human capital interventions relate to and impact each other.

#### **Greater Access to HR Technology by Non-HR Professionals**

As great as the impact of technology is on HR professionals themselves, one of its most important outcomes may be that it allows non-HR professionals to get involved in some tasks that have traditionally been concentrated in the HR department.

The development of self-service technologies for managers and employees to manage their benefits is one obvious example, but there are also other ways this is occurring.

#### Service Applications via the Internet

One important way that HR technology is opening up the HR space is through accessing standard business applications on the Internet via the use of the application service provider model, which involves using a third party to manage and distribute software-based services. This type of “software-as-a-service” was one of the top trends identified by the SHRM Technology and HR Management Special Expertise Panel in 2006.<sup>7</sup> Many technology experts point to this as a significant trend because it has lower upfront costs than licensing software and because it concentrates responsibility for the management and upgrade of computer systems in the hands of the service provider rather than the buyer. This is particularly important in an environment where the speed of technology development is getting faster every day. Instead of organizations investing in licensed software and adding their own customized features and upgrades, which can take a long time to test and implement, the service provider uses the continuous developments in technology to enhance service on an ongoing basis and make updates immediately available to its customers. Advocates of this model say that this encourages faster innovation from service providers and also helps keep costs down in a competitive market.

Until now, only the largest companies were able to afford the costs of a major investment in licensed HR software. In addition to the initial license fee, companies pay annual technical support and upgrade fees that frequently amount to millions of dollars for the largest companies. According to Forrester Research, maintenance fees will account for more than 40% of company spending on enterprise resource planning (ERP) software in 2006.<sup>8</sup> At the moment, the licensed ERP software market is relatively competitive, so larger organizations will potentially be able to benefit from cost savings on software and on maintenance fees in the short to medium term. But even though their emphasis will continue to be on licensing standardized platforms to their largest customers, now some of the biggest HR licensed software providers are also experimenting with different types of Internet-based services. Here, some of the most important developments may occur in on-demand software aimed at small and medium-sized businesses.

One reason that small businesses may hesitate to use some types of on-demand software is because

the prices are often based on the number of expected users. For this reason, rather than small businesses interfacing directly with on-demand HR software service providers, they may instead benefit from the shift to on-demand HR software mainly through the companies they outsource their HR tasks to. On-demand HR software providers may increasingly work together with HR outsourcing companies to enhance their services.

It could take some time to see how the on-demand or software-as-a-service HR software market will influence the management of human resources in small and medium-sized businesses. If on-demand HR software reaches a point where it is easily bundled into on-demand software packages aimed at small businesses or through low-cost outsourcing services that use on-demand software to keep costs down, many small businesses may benefit from more efficient HR processes than they ever had access to before.

As cost barriers come down and familiarity with the technology grows, the small and medium-sized business consumer of HR technology may grow more sophisticated and use a wider array of HR technologies. This could, in turn, free up small businesses from the administrative side of HR and, by improving the decision-making tools available to them, such as workforce analytics, encourage them to consider the more strategic possibilities of successful human resource management.

#### A Growing Demand for Simplicity

But HR technology can only help open up HR processes and tasks to a wider audience—employees and managers via self-service applications or small and medium-sized businesses through lower cost on-demand HR software—if it is user-friendly. For this reason, the demand for simplicity will continue to be a key driver in the development of HR technologies, especially as the market for these kinds of tools broadens. Providers will need to consider wider consumer demands when it comes to technology because they can no longer assume that customers will be technology or HR specialists. According to the Consumer Electronics Association, 87% of people rate ease of use as the most important characteristic of new technologies.<sup>9</sup> When it comes to HR software applications, simplicity and ease of use may continue to be a challenge for providers to offer. Elegantly linked systems of software that work together in a simple, intuitive way are in reality extremely complex and difficult to design. Not only that, but different software providers have an economic imperative to prevent their systems from being easily interoperable with those of their competitors. Some IT

**Figure 1** HR Programs and Activities Supported by HR Technology Systems

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

Note: Same 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

analysts believe that this may be one reason why the open-source software movement may play a growing role in the development of several kinds of technologies, because many kinds of open-source applications may have more interoperability and lower costs associated with them. Others point to industry consolidation as a driver in bringing together different kinds of HR software under a single platform. Regardless of how they go about it, it seems likely that organizations will continue to try to link together different systems in a way that makes them simpler and easier to use. According to Nucleus Research, one of the top IT trends for 2006 will be that “enterprises will clean house: Several trends are converging to compel businesses to shed unnecessary and redundant systems. Companies are increasingly using integration technologies such as Web services and service-oriented architecture to rebuild patchworks with more elegant solutions.”<sup>10</sup>

Along with improving efficiency and user-friendliness, simplifying IT systems is primarily viewed as a cost-saving measure. In a study of 250 companies, the Hackett Group found that companies that did not reduce the complexity of their IT systems spent around 30% more on finance operations and 18% more on human resource functions. Overhead costs at companies that had 10 or more finance applications or did not have a global standard for HR applications were found to be much higher.<sup>11</sup> The findings suggest that customization or a large number of applications may be less cost-effective

than less complicated systems, since those companies that spent less were able to bring their projects in on time even with fewer staff.

Even while the demand for simplicity grows, managing HR technology systems on a large scale is likely to remain sufficiently complex, and HR and IT specialists that can translate data into actionable steps that bring results will be in strong demand. This could create further levels of specialization within the HR profession. As the use of ERPs becomes more embedded into company operations, finding a way to bridge the gap between IT and HR specialists is resulting in the creation of jobs that straddle both functions. Organizations using this approach believe that it encourages a more collaborative way of working between the two groups, which ultimately results in more efficient human resource and technology management. A growing consensus that the interface between human capital and technology is the point where the biggest productivity gains can be made—especially in a technology-driven knowledge economy—is making it clear that specialists who understand both sides of this equation are needed.

The need for professionals who have an in-depth understanding of IT and human capital issues is a real concern in situations where the drive for simplicity threatens to remove workforce management as a top priority in ERP systems. This may be occurring as companies move to systems created through the consolidation of ERP applications

and tools provided by a single vendor—something that is happening more and more due to vendor consolidation in general. Because human capital applications may be more complex and involve data that is more difficult to capture, there may be a temptation to use ERP systems that disregard the underlying processes that determine the value of organizational and human capital, especially when the implementation of such systems is led by the finance and IT departments with little input from HR. HR specialists who understand not only the use of existing ERP software but also the workforce management potential of new upgrades will be in a better position to ensure that human capital strategies are not overlooked in the push to simplify.

The need for HR information system (HRIS) specialists could also be encouraging the continuous growth of the HR outsourcing trend. Watson Wyatt estimates that HR outsourcing is growing at around 30% per year and many of the organizations that are outsourcing HR processes are doing so in order to improve their HR technology systems.<sup>12</sup> Outsourcing advisory firm TPI recently reported that HR outsourcing was the fastest growing and largest segment of the business process outsourcing market.<sup>13</sup> By tapping into the ongoing technology advances of their external HR business process providers rather than keeping things in-house, companies are seeking to avoid some of the problems associated with system upgrades and system integration while still having access to high-quality reporting and analysis.

**New Roles and Competencies**

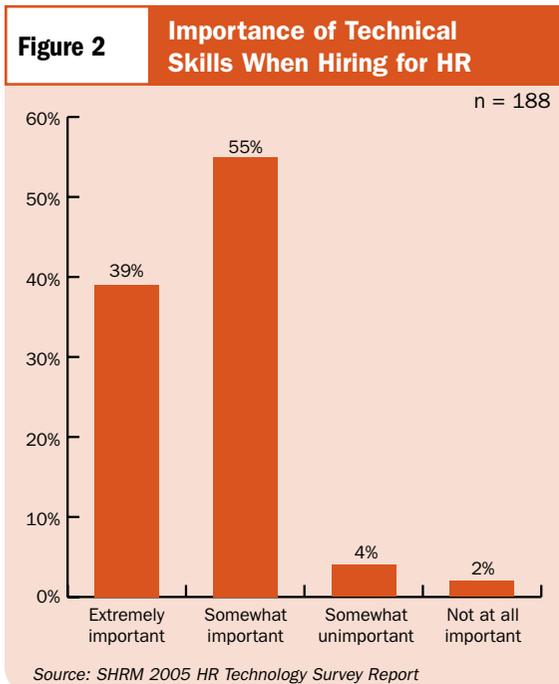
In addition to creating new HR technology specialist roles, the interface between HR and IT processes and the growing complexity of managing HR technology systems could also influence the types of competencies required within existing HR specialist areas discussed below.

**Metrics and Measurement**

The SHRM Human Capital Measurement/Metrics Special Expertise Panel listed workforce optimization and productivity as one of the key trends in its 2006 trends update and explained that “the measurement of workforce productivity will become a critical issue for the HR function. Over the short term, the focus will be on the skills of the workforce, but over the long term, the focus will be on talent management and will involve technical tools to facilitate workforce optimization.”<sup>14</sup> Technology has been viewed by economists as a major contributor to the productivity leaps over the past decade, but with the growing emphasis on human capital as a driver of productivity in the knowledge economy, understanding the way these two factors interact with one another to boost productivity rates will be crucial to organizational success. This will require HR professionals to have an in-depth understanding of technology in two crucial ways: as a driver of employee productivity and as a way to assist in measuring the effectiveness of human capital interventions.

Workforce analytics can track a wide variety of metrics, such as revenue and expense per employee, compensation, benefits, workers’ compensation as a percentage of expense, cost of hire, time to fill, absence rates and more. Clearly, the more rigorously human capital factors can be measured, the better the impact of HR initiatives can be understood. The drive for simplicity will make finding ways to integrate data an ongoing objective. For organizations that use a number of different applications from a single ERP vendor, this task will be very different from those companies that have data housed in a number of different systems. In this case, reporting on various different metrics will be via a data warehouse rather than an ERP. For many organizations this will present an ongoing challenge and will be further motivation to find ways to link systems so that they truly work together to create meaningful, usable data.

In addition to in-house data and information gathered either via ERPs or the company data warehouse, general labor market information is also growing richer. Some of this is due to the development of a wider array of employment indicators, and much of that data is gathered from HR and



recruitment professionals themselves. New indicators such as the Leading Indicator of National Employment™ (LINE), developed through a partnership between SHRM and Rutgers University,<sup>15</sup> and employment indicators developed through online job brokers are creating new sources of data on total employment, total vacancies, recruiting difficulty, new-hire compensation and hiring expectations at the industry and regional levels. This wider array of more detailed employment indicators may help HR professionals better forecast labor trends and hiring needs. Developments in technology and data collection are also making it easier for HR professionals to benchmark themselves against similar organizations at a lower cost than was previously possible. For example, in 2005 SHRM developed a Customized Human Capital Benchmarking Service comprised of critical data from more than 1,500 organizations. The data enable organizations to create an organizational profile based on revenue, industry, staff size, geographic region and other categories and create customized reports on issues such as cost per hire, time to fill, HR-to-employee ratios, health care expenses per all or covered employees, annual salary increases, turnover rates, etc.<sup>16</sup>

With the cost of storing and comparing data going down, more HR professionals—even those working for small and medium-sized organizations—will be able to use human capital metrics to make a case, make decisions and show return on investment. A broader range of data sources and improved ease of use may also enable workforce analytics to empower employees further down the chain of command to make decisions based on shared data. In some cases, this may require changing organizational culture to one that better supports virtual collaboration. It almost always requires a strong effort to better educate managers and other employees on how to understand and use workforce analytics.

#### Compensation and Benefits

HR legal experts may increasingly make use of technology to help ensure compliance with a complex network of state, national and regional employment legislation that relates to benefits. For example, when the IRS announced a new policy aimed at boosting the use of flexible spending accounts (FSAs), many HR technology providers attempted to capitalize on it by upgrading their software offerings to reflect the changes and to help employers manage them.<sup>17</sup> Other changes in rules relating to benefits are likely to encourage a similar response from software providers. Employers may be slower to pick up on these new products than vendors are in creating them, but it seems likely

that the growing complexity in legal compliance will continue to inspire tech vendors to create products aimed at easing this burden. Once again, this could lead to a trend of more widely available tools to help ensure compliance, and these tools could eventually become accessible to smaller organizations on a fairly wide-scale basis. Additionally, the growing complexity of creating and managing these systems will create the need for professionals with highly developed legal, HR and technology skills.

HR technology, especially in relation to workforce analytics, may also be encouraging HR professionals to begin to speak the same language of business as the C-suite, particularly in the area of compensation and benefits as calculations of health care cost per employee or pay and/or benefits as a percentage of operating expense become key measures impacting the bottom line. The improved use of portals to administer benefits will continue to support the shift to self-service benefits administration by helping employees view and manage their benefits in one place that is truly integrated and supports the company employee brand, rather than just a series of links on the company intranet. This will be more important if both health and retirement benefits move toward employee-managed accounts such as FSAs and HSAs.

#### Recruiting

The use of technology to speed up and streamline the recruitment process is likely to be a key area of focus in the war for talent, and the Internet will continue to be the main tech driver related to recruitment in the years to come. According to the Conference Board, three out of five job seekers now use the Internet for job hunting. Eighty-eight percent of the job seekers read help-wanted ads posted online, 60% submitted a resume or application online, nearly half used the Internet to research potential employers and over 40% used online job boards to post their resumes.<sup>18</sup> A survey by CareerXroads and CareerJournal.com found that over 90% of job seekers said that they were likely or very likely to view an organization's Web site in order to obtain more information and look for job postings. The trend toward online applications seems to be growing even for noncollege graduates in the service sector.<sup>19</sup> A handful of companies hiring primarily service employees in the retail and the hospitality industries are moving exclusively to online recruitment strategies. Some feature computer kiosks in retail locations as a way of tapping into this group even if applicants do not have access to the Internet at home.

Better data mining software is also making it easier for employers to sort through the large numbers

of applications to hone in on the candidates with the right skills needed for a particular job. Tech analysts believe that these types of technologies are steadily growing much more sophisticated and search technology that goes beyond key words and looks for underlying patterns and comparisons continues to advance. These developments may make it easier for recruiters to decrease the amount of time it takes between creating a new vacancy and hiring. Workforce analytics are also making it easier to forecast where potential recruitment difficulties could occur based on region, industry, skills or job role, as well as keep better track of applicant demographics.

In 2000 the Electronic Signatures in Global and National Commerce Act was signed. It allows electronic signatures to be used in place of hand-signed documents in certain situations. The law, known as E-sign, is now helping a growing number of employers that need to process a large number of applications, job offers and acceptances over a short period of time to speed up this process. Though the number of companies using this technology is currently fairly small, several trends could increase its use. First, the relative ease with which job seekers can now fill out online applications may be driving up the number of applications recruiters must deal with. In addition, an increasing number of jobs are filled on a contract or just-in-time basis. This could also add exponentially to the number of applications and job offers that recruiters must deal with. In both cases, electronic signatures could help recruiters move faster. Differences in state laws regarding e-signatures could be one reason this technology has not moved forward as quickly as some tech market analysts expected. However, it is possible that over time there will be a standardizing of laws, at least at the state level, and this could encourage the use of e-signatures, at least for larger organizations.<sup>20</sup>

#### Training and Knowledge Management

Knowledge management systems may be increasingly concerned with stemming the tide of knowledge loss due to the loss of key individuals through layoffs and retirement. A recent report from IBM Consulting Services listed the different ways that knowledge elicitation could be used to “increase both the visibility and retention of an individual’s knowledge by preserving it in some form of repository.”<sup>21</sup> These include things like expert systems, subject matter expert interviews, after-action reviews and knowledge mapping. According to the report, though knowledge elicitation techniques focus on “transforming tacit knowledge into explicit knowledge, knowledge exchange efforts focus on helping individuals make connec-

tions with subject matter experts” and include techniques such as orientation, training, communities of practice, expertise location, mentoring/peer assist and alternative work arrangements. Tech-based knowledge management systems will continue to be a cornerstone of these strategies, but HR professionals will need to monitor whether this technology is really successful in managing information and knowledge in a way that is useful on the ground.

Dealing with human capital issues as they relate to global intellectual property is likely to also be an ongoing concern for HR professionals. Along with government programs aimed at cracking down on intellectual property infringement overseas, businesses are coming together in consortia to try to find ways to deal with the problem. Most of these infringements are either technology-enabled or involve the theft of some form of technology itself. In other cases, businesses may worry that employees are more likely to endanger company intellectual property as well as the company brand through Internet-enabled communications such as blogs. HR will continue to need to focus on human capital strategies that help protect competitive knowledge and intellectual property from infringement.

E-learning technology continues to develop and become better integrated into overall tech-based human capital management systems. Another tech-related area in the training field that appears to be undergoing strong growth is the use of simulations. Improved technology is helping e-learning programs that use simulation as a learning tool become more realistic. These learning simulations help assuage the need to use the actual application environment and in this way save costs. Depending on the industry and training need, the improvement in technology that supports learning simulations could eventually be a major training cost saver. Along with lowering training costs, saving time—or at least helping employees in training better manage their time—may also be an important factor. Perhaps for this reason, more employers are making use of online education. Some higher education analysts believe that one of the main reasons behind the growing popularity of online education is the support it receives from employers. As workforce skills and education become even more critical to business success in a global market, more employers may look to online education to help employees improve their education levels while remaining on the job, and according to the American Society for Training and Development, many organizations see offering online education as a way to boost employee job satisfaction and retention.<sup>22</sup>

### Employee Relations

Use of technology to communicate with employees without causing information overload continues to be a challenge for HR professionals. The growth in the use of mobile technology will continue to have an impact on the way organizations communicate to employees and the way employees communicate and collaborate with each other. According to the SHRM Technology and HR Management Special Expertise Panel, this is the number one HR tech trend for 2006.<sup>23</sup> As the cost of handheld devices that receive wireless e-mail anytime anywhere goes down, more employees will use them and functionality will increase. Constant connectivity could make employees feel as though they are never able to fully disengage from work and could lead to frustration as more employees feel constantly “on call.” According to the panel, “HR professionals will need to be proactive and progressive in establishing and communicating policies regarding handheld devices, consider equity issues if the company supplies devices to selected employees and determine any requirements to track imputed income.”

HR professionals will also have to pay attention to the way that employee data is stored and protected. Security is becoming an increasingly important job satisfaction factor, and with identity theft as one of the fastest growing crimes, companies are at real risk of liability if they are in any way negligent when it comes to employee data security. HR professionals will need to stay up to date on the technologies being developed to protect employee details from theft.

In all electronic communications and tools available for employee use, communicating the company brand will be of growing importance. Not only will the message itself matter—how it is communicated as a way of reinforcing the employer brand will be critical.

### In Closing

Understanding and effectively using HR technology is now an integral part of the success of all HR professionals and will only increase in importance. Based on the use of HR technologies in high-performing organizations, it seems likely that the main drivers in the use of HR technology will continue to be reducing costs and the administrative burden, and this, over time, could reshape the HR profession and create the need for new kinds of HR specialists. In its recent report, *2015: Scenarios for the Future of Human Resource Management*,<sup>24</sup> SHRM developed four potential scenarios on the future of the profession based on interviews and surveys of HR leaders and stakeholders. Though one of the scenarios examined how the profession might look

if technology became the central force in the workplace and in HR administration and strategy, all four scenarios had technology playing some role in the future of human resource management. In the tech-based future, reengineering, creativity and new competency models are all considered necessary for HR professionals to succeed, so it is clear that HR professionals must closely monitor developments in HR technology and develop their competencies in this domain accordingly. Regardless of which future lies ahead, a good understanding of the role technology plays in supporting human capital management is likely to be a key factor in determining the success of both the HR function and HR professionals.

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### SHRM HR Technology Learning Resources

#### SHRM E-learning ([www.elearning.shrm.org](http://www.elearning.shrm.org))

- Best Practices in Assessing and Selecting Recruiting Technology for Your Company: The Straight Scoop
- Overload: The Human Impact of Information and Technology
- Web Site Wonderland

#### Courses/Executive Seminars

([www.shrm.org/seminars/executive/eed\\_unc2.asp](http://www.shrm.org/seminars/executive/eed_unc2.asp))

- UNC-Chapel Hill: Strategic Change Through HR Technology and Business Innovation. This seminar highlights best practices in HR technology and business innovation through analysis of leading organizations.

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