

5 key HR business trends for 2023

and how your organization needs to respond

Introduction

Organizations have had to navigate significant challenges over the past three years, with many forced to pivot to a new working model in 2020 and the emergence of widespread hybrid working and working from home. At the same time, organizations have a wealth of technology platforms and tools at their fingertips. But getting digital projects and initiatives right poses a significant challenge, with tens of millions of dollars spent every year on the wrong technology transformation programs.

The first three months of 2023 suggest organizations will continue to contend with a number of obstacles, including high inflation, rising prices, supply chain security, energy costs, labor shortages and more. But these challenges also present businesses with opportunities to accelerate digitization, embrace proven DMS (document management system) technologies and champion sustainability, even with limited resources.

These challenges present businesses with opportunities to accelerate digitization and champion sustainability.

This People Management Insight expert report, produced in partnership with DocuWare, looks at five key business trends shaping enterprises in 2023. It includes insight from several experts about how organizations can leverage technologies to achieve their business objectives over the next nine months and make their operations more efficient and sustainable.

#1

Digitization

Digitization isn't a new topic, but it remains critical in 2023. So, how can businesses implement a focused and impactful digitization program and avoid being one of the thousands of companies that report failed digitization initiatives yearly?



David Malan, Sales Director UK & Ireland at DocuWare, says that many digitization programs fail because of poor planning.

“It’s important to have a detailed ‘scope of work’ process, designed to meet customers’ needs. This process leads to a much higher success rate. Too many organizations start the process in a reactive way, so it’s more of an ad hoc approach without a long-term plan. We also see companies try to digitize everything at once, but introducing new tools and processes by department is often more effective. This approach instills confidence in users and ensures they’re ready for digitization by the time we roll out across a business.”

Nadeem Ahmad, founder and Managing Director of tech recruitment firm Templeton and Partners, says there are significant advantages to engaging with stakeholders across companies to better understand pain points and issues that digitization and digital tools can help alleviate.

“Too many tech departments are siloed from the rest of their organization and can neglect the involvement of staff across other departments, especially during a large-scale change project. Employee involvement from the beginning of any digitization project provides knowledge and experience that even the best IT teams simply won’t be able to draw on.”

It helps to have employee involvement from the start of any digitization project.

“Tech teams that don’t understand the problems and needs of their colleagues don’t design and implement with them in mind, meaning new systems and processes don’t resolve existing employee problems or even exacerbate them, causing employees to reject these systems and processes or use them improperly.”

The benefits of digitization for HR

Successful digitisation initiatives can benefit all areas of a business, not least HR, where it can offer increased efficiency, accuracy, data analysis capabilities, improved employee experience, and cost savings. Here are some of the main benefits, according to the experts:



Record management

“Digitizing record management makes the life of any HR professional so much easier. For example, when HR releases information such as a new employee handbook, digitization makes distribution easier and allows setting up an audit trail that confirms receipt. In addition, electronic forms and digital signature capability make obtaining all employee sign-offs faster, easier and more cost-effective.”

David Malan,
DAVID MALAN, SALES DIRECTOR UK &
IRELAND AT DOCUWARE

Diversity

During the recruiting and hiring process, digitization not only helps to find employees with the required qualifications, but also to firmly anchor diversity and inclusion in the corporate culture. The right platforms ensure a correct and respectful approach and communication. In this way, companies present themselves as an open workplace for all talent, regardless of their background.

Data insight

“Analyzing data from multiple internal and external sources, such as employee engagement surveys, absence data and online resource usage information, can give employers real insight into common issues faced by their staff. It can open their eyes to what employees need to perform at their best.”

Jane Hulme,
HR DIRECTOR, UNUM UK

Employee insight and engagement

The insights delivered from accurately collating and analyzing data will do wonders for employee engagement. HR can gain an increasingly better understanding of the employee experience, training and development needs, and can use these insights to improve employee engagement and retention.

Time savings

“Technology can free HR professionals from much of the time consuming, day-to-day admin associated with managing people. It creates time to help them by creating relevant wellbeing strategies and inclusive employee benefits packages.”

Jane Hulme,
HR DIRECTOR, UNUM UK

Improved employee experience

“Employees working from home, or in the office, get easy access to benefits information, including flexible spending accounts, employee assistance programs, and time-off requests. Yet their records are private and secure. Time saved through employee self-service results in quicker response times when they have questions.”

David Malan,
SALES DIRECTOR UK & IRELAND AT
DOCUWARE



DocuWare regularly hears from its partners that HR practitioners want to digitize processes and reap the benefits on offer. But too often they're unsure of which first steps to take, leading to inaction.



Digitization is also competing for attention with many other challenges.

Three years after the pandemic, leaders are still experimenting with the best ways to foster employee engagement and communication in a hybrid working environment. Employees require additional support through the cost-of-living crisis. Skills shortages and competition for talent acquisition are plaguing even top employers, as companies struggle to fill existing skills gaps while simultaneously planning for the technical and soft skills needed in the near future.

“The best senior HR leaders understand that digitization will address the majority of HR challenges,” says Ahmad, “and therefore positively impact HR teams, employees and businesses. Digitization will empower HR teams to capture data and insights from HR platforms, real-time wants and needs from existing employees and feedback from the talent pipeline, providing a detailed map of root causes and solutions to some of 2023’s biggest HR challenges.”

Companies are struggling to fill skills gaps while planning for the technical and soft skills needed in the future.

Hulme agrees that digitization needs to be a top priority for HR leaders in 2023. “Current and prospective employees are increasingly looking for benefits that respond to their needs and provide support when needed. And we know that engaged workforces produce better results.”

#2 Sustainability

Sustainability has gone from a fringe issue just a few years ago to one of the most critical challenges of our time.

Human-induced climate change is causing extreme conditions all over the world. So much so that the UN has described it as “code red for humanity.” There is still time to fix our climate, but time is running out, and businesses must play their part.

As well as helping to cut emissions, developing long-term sustainability practices has many other benefits. Millennials and Gen Zs increasingly prefer to work for, invest in and buy from businesses with sustainable credentials. Organizations looking to attract and retain the best young talent must take the issue seriously.

“The negative effects of climate change are being felt across the globe,” says Malan. “As a result of a growing sense of urgency to address it, we see that investors, employees and customers prefer to work with companies that prioritize sustainability. Creating a healthy and sustainable workplace, companies can reduce their impact on the planet and protect valuable resources.”

Millennials and Gen Zs prefer to work for businesses with sustainable credentials.



Anna Weston, Head of Development UK&I for Treedom, believes sustainability initiatives should be driven and owned by HR departments.

“HR is central to building a true culture of sustainability because it is the first, the constant and the last point of contact that an individual has with their employer,” she says.

Businesses can take steps to become a “paper-light” environment, making a paperless ideal less daunting.

“Everything from the job description you first read to organizing your last day will be seen through that prism. HR is a link that everyone in a business shares, and the department that is most closely connected to a business’s people, so it is central to affecting behaviors of individuals that contribute to that wider culture of sustainability.”

An obvious way to kick-start a sustainability drive is to look at the waste that comes from paper. Billions of dollars are wasted yearly by global business on paper, contributing to deforestation, chemical usage, and carbon output. Moving to a completely paperless environment might initially seem daunting, but Malan says that businesses can take steps to become “paper-light” initially.

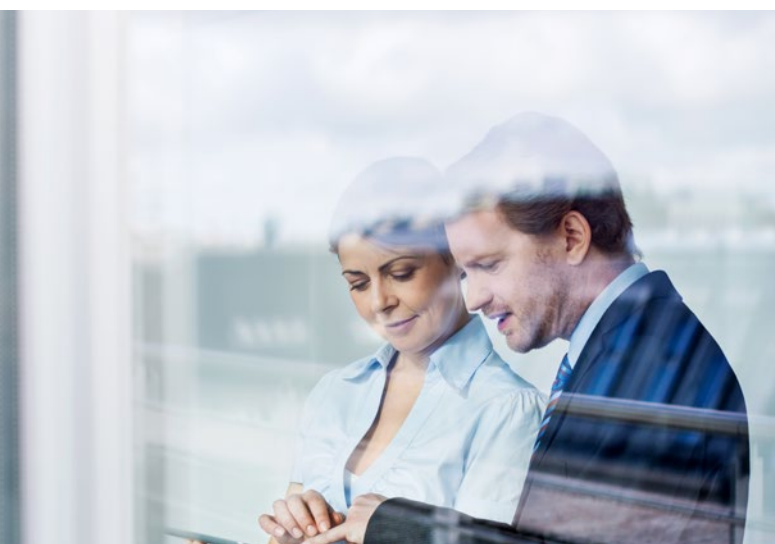
“This means digitizing some of the smaller, manual tasks such as having employees sign documents electronically instead of printing them out. This is a much more achievable goal for businesses. Once that’s been accomplished, the road to going paperless doesn’t seem so daunting.”



#3

Data-led decision-making and insight

Businesses are creating data on an enormous scale, and there is boundless potential to derive valuable intelligence and insights and help them shape their people management and recruitment strategies. But to do so, organizations must ensure they are correctly collating and analyzing data in a location that all stakeholders can access. This section will look at data best practices for the year ahead.



D&I data and insights will help create an inclusive workplace and support diverse representation in hiring.

Chris Underwood, Managing Director at Adastrum Consulting, says data is a prime example of how businesses fail to capitalize on digital transformation’s commercial potential. “Data as a commodity has been on the radar for most organizations for over a decade, and many have invested in data collection and management. Yet with little more than the idea of ‘doing something with data,’ it fails to deliver. It takes a leader with business acumen and analysis skills to unlock the true value of the insight collected.”

All HR leaders understand the importance of diversity and inclusion (D&I) to innovation and the bottom line, but don’t have the data and tools to actually improve it. But despite investment in D&I recruitment initiatives, many businesses are still coming up short. “The right data on diverse talent pools and insights from diverse applicants will empower HR teams to provide a better hiring experience for all candidates from all backgrounds, enhancing recruitment and onboarding across the organization,” says Underwood.

“D&I data and insights will support diverse representation in hiring and help to create an inclusive workplace for existing and new employees. HR teams are increasingly leveraging surveys and one-to-one feedback from their existing employees to generate improvements to the working environment, culture and ways of working.”

Another reason to consider moving to a paperless operating model is to take advantage of the potentially hugely valuable data your business creates daily.



“Paper-based processes are not joined up or integrated with other systems and processes, preventing communication between departments and creating silos that aren’t aligned on goals, projects and vision,” says Ahmad. “The resulting lack of insights and collaboration stifles innovation. Individuals and teams continue to do things the same way they’ve always been done, unconscious bias goes unchallenged, and organizations miss opportunities to improve these processes and their impact on everyone in the business.”

Using siloed data can be a critical disadvantage for businesses, leading to data fragmentation and inefficiencies. When data is stored separately and not easily shared, completing tasks and finding the information necessary for decision-making can take longer.

Malan says that all departments in a business benefit from centralized data solutions, with HR being a prime example. “When we visit our customers for the first time, we often find that HR teams use several disparate platforms and tools. We like to highlight how important it is for data to be pooled together in one place. Once it is, clearer conclusions can be drawn, and business decisions can be made.

Tasks and decisions take longer when data is stored separately and not shared.

“When KPIs or data derived from employee feedback, surveys or market insights are stored digitally in a central repository, it’s far easier for that information to be updated and referenced by HR professionals and helps keep them on track to achieving company goals.”

#4 Automation

Businesses that successfully introduce automation in 2023 could save thousands of people-hours, freeing their teams to work on more fulfilling and value-added tasks, driving innovation and profit. Again, HR is an area where automation could have several positive impacts.

Bukola Bayo-Yusuf is an HR leader with 17 years' experience. She outlines how businesses can benefit from automating processes within their HR teams, including retaining and engaging staff: "The immediate benefit for business is saving time as automating processes is normally quicker with less room for error, which saves even more time.

"In the short term, it requires investment from a cost perspective which can be high, but in the long term it provides cost savings and is more efficient. The biggest benefit, however, is the retention of top talent within HR. Removing repetitive tasks through automation means they can upskill themselves and focus on more rewarding strategic work, which provides more benefit for the organization."

But for all its promise, automation is not a silver bullet, and organizations must carefully consider which tasks it is suitable for and the data quality. Automation requires vast data to turn a narrow set of functions into predictable outcomes. Its binary responses are only as good as the quality and parameters of the dataset it uses.



Choosing the right data and process to automate can save businesses time and money.

AI is only as good as the data it's based on, with poor quality information a common reason for failed AI projects. Data complexities and silos are also an often-cited barrier to successful AI adoption. "One of the cardinal errors organizations make is simply automating a process before checking that it is fit for purpose and fulfills everything it could. Once automated, it is unlikely to be reviewed again and become a source of future technical debt," says Underwood.

“Software can sift through CVs to create a candidate shortlist. But this only works when recruiting for entry-level or manual roles requiring specific qualifications or technical skills. Technology lacks the subtlety to assess softer skills and leadership behaviors gained through important experiences, which are required for higher-value management roles.”

Automation can positively impact HR teams, freeing up their time for more fulfilling and value-added tasks.

In 2023, organizations can leverage the capabilities of automation to perform labor-intensive and repetitive tasks, potentially saving thousands of hours that can be used to add real value and increase employee satisfaction and engagement. Automation can also positively impact HR teams, freeing up their time for more fulfilling and value-added tasks, and driving innovation and profit.

However, organizations must consider the quality of the data, which tasks are suitable for automation, and the impact of automation on softer skills and leadership behaviors.



#5 Cloud-based platforms

The past three years have changed the way millions of people work. With teams increasingly mixing their time between home and the office, it is more important than ever that businesses embrace the power of cloud-based platforms, allowing their people to access documents and workflows wherever they are, and scaling resources up and down as needed.

“The rise of the hybrid workforce and the effects of limited in-person contact continue to transform how and where business is done,” says Malan.

“This new world is primed for cloud-based platforms, which allow teams to collaborate when they aren’t in the office. It can only be sustained with a document management system designed to adapt to business needs as they change and evolve easily.”

Cloud software and services help teams to collaborate when they aren’t in the office.



“A smart investment in cloud-based platforms can give teams everything they need to drive your company to new levels of success. It is also an appealing work model for Millennials and Gen-Xers – both of these groups are more likely to apply for jobs in a company that offers a flexible mobile working environment,” Malan continues.

“There’s never been a better time to invest in cloud-based platforms. There is a sense that if you don’t move with it, you will be left behind. Still very high on the agenda is going paperless: companies are still hyper-focused on reducing their carbon footprint and helping to save our forests – and, ultimately, our planet. Whether you’re looking at digitizing a single process or are ready to convert your entire office to paperless, it all helps.”

Cloud-based platforms are an appealing work model for Millennials and Gen-Xers who seek companies offering flexible mobile environments.





About DocuWare

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