



**How outdated HR tech  
can cost your business**

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Human resources professionals can all agree that old, clunky tools and technologies are more exasperating than helpful. However, business leaders may not realize the hidden costs of outdated HR tech.

Software programs that are more accurately described as problems than solutions can have negative impacts on the business, from HR to the workforce and beyond. Here's how:

## Productivity losses

Tools without automation capabilities require more manual labor, which can significantly hinder employee productivity and slow down operations.

A CareerBuilder study found that HR managers lose an average of 14 hours per week doing tasks manually that could be easily automated — and 1 in 10 HR leaders spends at least 30 hours per week on these types of activities.<sup>1</sup>

**That means significantly less time can be spent on higher-level projects and strategic initiatives.**

<sup>1</sup><http://press.careerbuilder.com/2017-05-18-More-Than-Half-of-HR-Managers-Say-Artificial-Intelligence-Will-Become-a-Regular-Part-of-HR-in-Next-5-Years>





**41%** of employers don't train HR staff in data protection best practices.

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## Data breaches

HR Dive reported on an industry survey that found 41% of employers don't train HR staff in data protection best practices.<sup>2</sup>

Without proactive measures in place, sensitive employee data is at an even greater risk when it's stored in legacy systems that come with lackluster security capabilities.

<sup>2</sup><https://www.hrdive.com/news/survey-most-hr-managers-arent-taking-employee-data-security-seriously/567404/>

## Disengaged employees

When HR workers have to deal with slow and inefficient tools, they can become frustrated. This poses a risk for employee engagement and retention.

As industry research reveals, digital workers whose organizations are lacking in up-to-date tech are 750% more likely to experience frustration and 450% more likely to seek out other employment opportunities.<sup>3</sup>

Companies that don't provide workers with the tools they need to keep track of critical information may experience higher churn rates.

<sup>3</sup><https://www.prnewswire.com/news-releases/the-new-digital-workplace-divide-us-workers-whose-employer-provides-outdated-technology-feel-less-productive-are-750-percent-more-likely-to-be-frustrated-and-450-percent-more-likely-to-want-to-quit-300671979.html>

## Poor customer service


Whether the team serves internal or external stakeholders, operating as either an internal HR department or a professional employer organization (PEO), old technology can hinder the level of service provided to those stakeholders.

For instance, as HR Technologist reported, more than one third (36%) of HR leaders “blame poor and insufficient technology for their inability to improve onboarding techniques” when working with new hires.<sup>4</sup>

Moreover, results-driven businesses that understand the importance of data will be dismayed at HR’s inability to gather analytics and generate reports due to outmoded programs with limited capabilities.

Slow, error-prone and generally subpar performance might lead customers to seek HR support elsewhere.

<sup>4</sup><https://www.hrtechnologynews.com/news/hris/outdated-hr-tech-its-ruining-employee-experience/170946>



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## Difficulty supporting remote workflows

Using tools reliant upon office computers – rather than cloud-based solutions workers can utilize from any device – can significantly restrict where and how employees are able to work and how the organization can operate.

As the COVID-19 pandemic has shown, businesses that rely primarily on on-premises solutions have trouble adapting to sudden changes in the market and workforce trends.

## A significant burden for HR

**Legacy software solutions can place more of a burden on the HR department as a whole.**

If business leaders aren't impressed with HR's performance overall, it's clear that something will need to change. When employees have trouble accessing important information and HR teams can't get critical systems to work without IT support, a conversation around upgrading the department's tech stack may be necessary.



## It's time for an upgrade

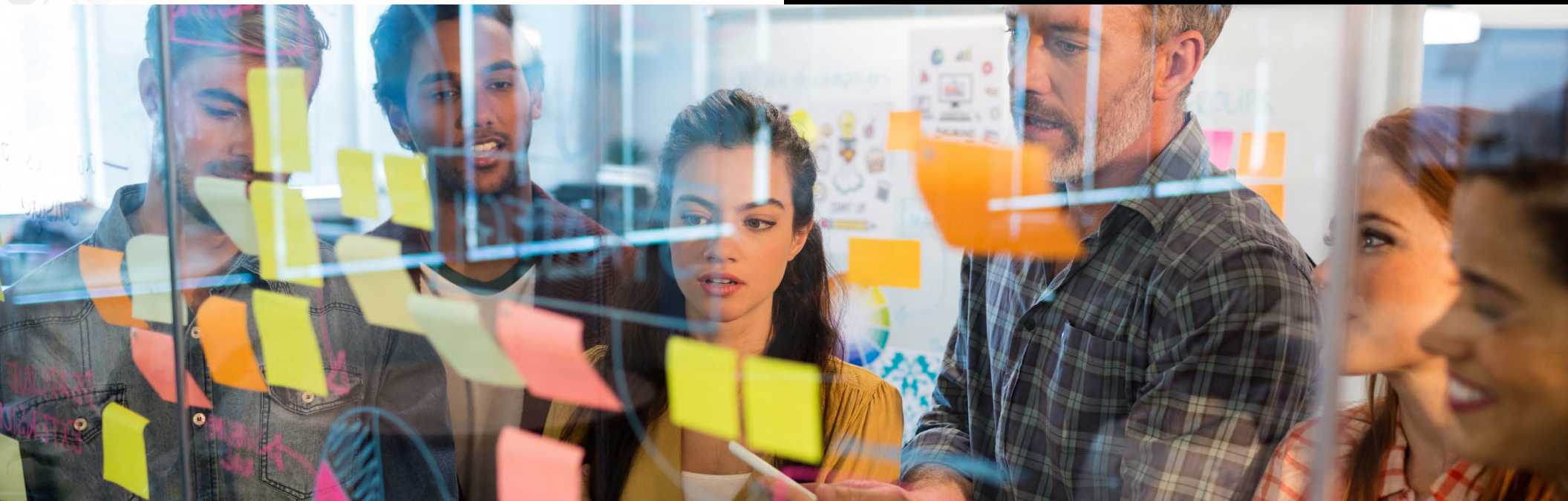
Transitioning from obsolete systems to cutting-edge HR tech can bring a company up to speed with industry best practices and lift a significant weight off the shoulders of HR leaders.

A cloud-based human capital management (HCM) solution offers flexible tools and robust resources that HR and the workforce can access from any location and any device. It can future-proof the organization and reposition a once-struggling HR team as a highly valued asset.



Nucleus Research revealed that, for every dollar spent on HCM technology, organizations see \$9.13 in returns, on average. Implementation of a cloud-based HCM solution can cost 79% less than on-premises tech, and, with less ongoing maintenance to worry about, HR teams also experience 90% in savings over the year.<sup>5</sup>

<sup>5</sup><https://newsroom.infinisource.com/six-reasons-why-hcm-technology-is-taking-off>



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