

GUIDE FOR CHOOSING AN HR SOFTWARE

7 essential steps to choosing the right solution for your company



INTRODUCTION

We're glad you chose to download this guide which will help you identify, assess and select the HR solution suitable for your company.

The development of HR software solutions has radically changed the way in which processes are carried out in your human resources department.

In the absence of digitization and automation, many of the HR processes use up valuable time because they are manual. However, with the support of technology and applications that are especially designed for HR, you will get more than spare time for the truly important activities:

- You will feel the power given by access to information and the easiness in making business decisions
- Bottlenecks in various HR processes will be reduced and processes will be interconnected and more fluid
- You will be able to accurately manage all HR information
- Productivity will be improved at the level of the entire department
- Data safety will increase and you will have less errors, by eliminating paperwork and manual work, while having constantly updated KPIs.

In the grand picture, HR technology gives you all the tools to move back the focus on people, while policies, procedures, databases and all that is required for compliance, once set, will operate trouble free.

If you are in charge of choosing an HR software solution, it may be difficult to identify the suitable alternative for your company. This guide is designed to help you understand the differences between the various types of existing HR software systems and tells you the steps you need to take in order to choose the suitable solution for your company. You will have a starting point to identify internal needs, to analyze various offers and to make the best decision.

TYPES OF HR SOFTWARE EXISTING ON THE MARKET

When you start gathering information about HR software solutions, you will find there are various names used by the manufacturing companies to promote them, according to the time when such solutions were developed and to how creative their marketing campaigns were.

Sometimes the terms used on the market are interchangeable and there are no two identical expert opinions as regards the contents of every type of solution. Because this can be confusing, we start by presenting below the most frequent terms and by explaining acronyms.

The following are among the most frequent acronyms used in describing an HR solution:

HRIS = Human Resources Information System

HCM = Human Capital Management

HRMS = Human Resource Management System

TAS & TMS = Talent Aquisition System & Talent Management System

ATS = Applicant Tracking System

LMS = Learning Management System

The first difference comes from software complexity, which may serve a single HR vertical, such as recruitment or training, or it may cover the more extensive needs of the HR department, up to integrating modules or solutions covering all HR processes.

For instance, an ATS (Applicant Tracking System), also called an applicant management system, allows you to automate job posting, resume screening, to send automatic emails to applicants for the relevant positions, to manage the pre-evaluation stage and to easily communicate using modern channels, such as social media. Essentially, ATS ensures the automation of the recruitment and employment process, and such solutions can be sold either self-standing or they may be included in more complex software solutions covering several HR processes.

LMS (Learning Management System) belongs to the same category; it manages the access and delivery of all learning materials, from face-to-face classes to books, video materials or collaborative study materials. According to the organization needs, you can choose an individual or integrated system, with different functions.

The second category, that of HR software covering more needs of an HR department, is the most confusing from the point of view of standard included names versus functions.

The top three names used to describe a software application with multiple functions for various HR areas are:

HRIS = Human Resource Information System

HCM = Human Capital Management

HRMS = Human Resource Management System

In this area, names are frequently interchangeable, but there are however differences agreed at market level on who does what.

To understand them, we will succinctly present the set of functions generally associated to every HR solution:

HRIS - Human Resource Information System

The name of HRIS is older and frequently used; it refers to a more extensive system, with more complex functions than those of a simple HR database. Since there is no classification standard for these systems, the HRIS term was used generically for a long time, for all HR software solutions. Its more recent interpretation covers a variety of software types, with focus on the "core HR" area (basic HR functions), essentially designed to manage people (employee databases), policies and procedures.

To be precise, HRIS may include:

- Recruitment / ATS (applicant tracking system)
- Core Human Resources (employee database, organization chart)
- Benefit management
- Leave management/ Timekeeping
- Compensation management
- Training and development
- Workflows
- Self-Service (applicant / employee / manager)
- Reporting

HCM - Human Capital Management

An HCM solution includes the functions of HRIS software but it adds the Talent Management component and additional flexibility as regards the language and currency, but also adaptability to every country's particularities, being therefore more attractive for international HR management. It comprises the following main elements:

- HRIS
- Onboarding
- Performance and goal management
- Budgeting and position control
- Succession planning
- Payroll planning
- Global
- HR analysis



HRMS - Human Resource Management System

HRMS is used as a sort of "umbrella" term, in cases ranging from an upgrade system, from a simple employee database in Excel, to much more complex and better integrated systems, with numerous functions.

Modern HRMS systems could control and integrate any HR application into a particular system. A more palpable difference between HRIS and HRMS is the type of data they store. A HRIS traditionally stores more static information (addresses, persona numbers, payroll data), whereas HRMS stores more dynamic data, such as days of leave, performance management information, etc. Currently, this difference is becoming less significant, and therefore the name is simply used at the producer's choice.

In general, HRMS software offers every element comprised in a HRIS solution and it may include various HCM functions. Therefore, a HRMS solution can consist in:

- HRIS and / or HCM functions
- Payroll
- Time and labor management (TLM)

The first conclusion is that, due to the fast pace in the HR technology industry, we are not expecting that the opinions of various market players should be 100% identical regarding these definitions. On the other hand, clarifying acronyms and associating a specific level of expectations related to functions supplied by every one of them provides a more transparent evaluation of the various offers on the market.

After you look at the various types of solutions, you have an overview on alternatives, functions and possible costs, and you have a starting point. The path towards choosing the right solution consists of several essential steps that you are invited to discover in the section below.

ESSENTIAL STEPS

From identifying needs to a customized HR solution

HR software is an important investment and a long-term commitment, therefore your company should be involved in assessing and selecting this application, not just the HR people, but all relevant stakeholders.

Keep in mind that technology is quickly evolving – which means that if you make a change now, you'd better decide for a platform developed with rather recent technologies which is "natively" open to integration with other systems. On the medium and long term, you will certainly need integration to some extent, because no HR software, not even ERP-level ones, can or seek to offer all the functions you might need.

The level of available budgets is also an important factor; however it is more important to identify in as much detail as possible the needs of your company, so that the comparison between the offers received should be relevant – all sellers should offer the same structure, covering the same needs. Moreover, it sets in the balance the total investment versus the long term benefits and the positive impact on the entire organization, not just the HR department.

The time you have to carry out the selection and implementation process is another key factor. If you want to have peace and quiet for a long time, prepare to invest some more time at the beginning, while analyzing needs, preparing the specifications, and having a dedicated project manager for implementation.

You have many HR software alternatives that you can choose from, each with variable costs and functions, according to the complexity of the solution that you can benefit from. Given the importance of the decision, the software that you choose should:

- Answer the current needs of your own company
- Be flexible and able to grow with the evolution of the company's needs.

To make sure you make the best decision for your company, we recommend that you go through the steps below.

Step 1

INITIAL EVALUATION

First you need to decide if the selection of an HR software will be done with the support of the internal HR resources or if you are going to use a consultant from the beginning.

If your HR department has never gone through such a process, the teams can feel overwhelmed by its complexity, which entails a lot of time invested in this, which is sometimes hard to estimate in the beginning and which perhaps you can't afford.

If your department needs clear automation and must implement an HR software, but has no time available to gather the necessary information and to carry out the evaluation process, it is advisable that you seek the help of a consultant for entire process.

Why do you need a consultant?

Whether you choose an independent consultant or one from the HR platform developer, it will simplify your process because he/she:

- knows what information to ask from the HR department and from your company;
- is experienced in various HR technologies;
- understands very well the differences between the solutions existing on the market;
- makes an objective evaluation of the alternatives by reference to your company's needs;
- defines the requirement package considering the specifics of your operating field;
- identifies the processes which need to be changed or considerably improved once they are automated;
- helps you avoid the bottlenecks that can appear when you select an HR software;
- has an implementation plan, knows the critical factors and knows how to prioritize steps;
- ensures the efficient implementation of the solution.

4 advices to choose an independent consultant

1. Obtain recommendations from trustworthy sources;
2. Test the credibility by asking about training and achievements;
3. Check the reputation of the company that he works for;
4. Call him for an interview to make sure he is the right person.

Involving a consultant or a business analyst is also critical as regards the supplier that you choose. This is the man inside the manufacturing company who:

- Knows the product in detail
- Accomplishes with you the HR audit and HR processes design
- Translates your business needs into technical language
- Is best suited to identify what can be customized to your needs
- Finds the best implementation options for your particular case
- Makes the difference between what can be adapted to your situation from the configurations already existing of the solution, versus the development of new functions, which may bear an impact on the project costs
- Provides consulting services throughout the implementation.

However, his impact is limited and conditional on the information that he gets from the client and on the cooperation and direct involvement of the client in the project. Without in-depth involvement of a project manager from the client, the consultant can extract basic ideas, but the implementation brief will not be comprehensive enough.

Don't forget to check, for every offer that you receive, the existence and involvement of the consultant in the future project.



Step 2

IDENTIFYING THE COMPANY NEEDS

When you start the selection process of an HR software solution, it is recommended that you and the HR experts from your department look beyond the specific HR needs and approach the process from the perspective of the entire company. The more HR areas covered by the selected solution, the larger the impact at the level of the entire organization.

For instance, if all you need is to create a digital database with employee information, the positive impact will be mostly on the HR department, by increasing their efficiency.

However if you choose a full solution, where the processes and information flow from one module to the next, and the application brings the HR flows and information closer to every employee – for instance through the self-service facilities for employees or the internal communication platforms – then the impact will be major at the level of the entire company. The benefits can extend from increasing operational efficiency to increasing motivation and employee enthusiasm with long term implications.

Please discover below the variables that you should take into account, so that the solution you chose should be truly appropriate for your organization.



Strategic plans of the company

Taking into consideration this variable, make sure that the selected system is suitable for you on the short and long term. Maybe you are going through an aggressive employee growth phase involving the recruitment force, or on the contrary you might be going to downsize. What happens in the HR department bears an impact on the entire company and vice versa.

HR department particularities

The size of the department and the manner in which tasks are distributed varies from one company to the other, so that your efforts will concentrate on specific needs. Moreover, you need to take into account the way in which your teams are organized and how they access various functions.

Necessary versus desired functions

There is a series of standard requirements or needs, such as reports related to compliance or payroll calculation, with specific rules. For instance, due to GDPR, certain HR software functions become necessary, not just “nice to have”. This could be the starting point. Further on, for you to distinguish the desired functions, you need to take into account in what way the software can improve current procedures. The bigger the value, the easier it is for you to distinguish between need and want.

Organization chart

The final form of the HR software that you will be using depends on the organization chart as well. Is it hierarchical or matrix type in your company? The organization chart influences all processes involving the manager directly, the manner in which recruitment is made or performances are evaluated. The software solution should adjust to the manner in which things are happening in your company and it must ensure a logical flow, with no bottlenecks.

“White Collar - Blue Collar” ratio

The white collars vs. blue collars ratio in the company is a factor to be taken into account. For each of these categories, recruitment, internal communication, access to self-service facilities, performance evaluation or training or professional development management are done differently. You should pay attention to this factor when assessing the offers, to identify whether the strong points of the various solutions coincide with your critical needs.

Example

Report: 20% white, 80% blue

HR needs: improving the recruitment process of workers who don't apply online, but rather straight at the location and reducing time spent to provide administrative information to employees, particularly to factory workers, who have no permanent access to computers and internet.

Recruitment solution: Installing a data/application collecting terminal at the gate of the production unit, allowing the automatic transmission of the applicants' data to the human resources portal.

Self-service solution for factory workers: Installing hot-spots in the production unit, with access based on their personal numbers in the employee portal; direct access to contract-related information or holidays, from the administrative portal, is allowed.

Selecting an HR software – the “personal” choice of every organization

Below we are proposing a summary table with business functions and requirements particular to HR, that you can take into account to assess the various offers selected.

How does it work?

You should consider this table to be a dynamic instrument – we are proposing a general formula and we recommend that you adapt your evaluation criteria to the company’s specifics and your own HR department. Choosing an HR software must be a “personal” choice for every organization, based on solid, specific arguments and exhaustive information.

Assessing the way to ensure the necessary functionalities and how the company’s business needs are solved.

[Click here to download the editable template](#)

Business function/ requirement	Priority degree	Influenced departments	Gaps in the current system/process	Notes
Core Human Resources (Organization management)				
Recruitment / ATS (applicant tracking system)				
Onboarding				
Personnel management				
Time and attendance				
Payroll				
Performance evaluation				
Goal management				
Learning management system (LMS)				
Internal communication (Employee Portal)				
Self-Service (applicant / employee / manager)				
Compliance with GDPR requirements				
Workflows				
Analysis and reporting (HR Analytics)				
Integration with other software solutions already existing in the organization				
Adjustments of the solution and new dedicated developments – according to business complexity				
Compliance management (policies, procedures)				
Suitability for international HR management				
Client-specific technical requirements				
Pre- and post-implementation services				



Step 3

PROJECT PARAMETERS EVALUATION

After having drafted an exhausting list of the essential requirements and a list of additional functions, it's time to determine the project parameters.

Budget

Every company project has a dedicated budget. Unfortunately, HR is seen as a source of costs in many companies, due to the amounts dedicated to employment and training. Under these circumstances, you can demonstrate that an HR software helps reduce many of these costs, thus you can obtain a bigger budget to purchase the HR application.

Looking at various HR software types, you have noticed the limits within which the budgets vary and probably you have generally outlined the solution that you can afford. You will notice that payment options vary as well – you can choose a solution with a price/employee/month, or you can pay a larger sum in advance. You have to evaluate the pros and cons of every cost model starting from your budget.

When you aim for a customized offer and the final price varies as to what you can see in the price list, that's when the consultant role comes in. He will guide you towards the necessary functions, so that you obtain the best price for a solution tailored to your company's needs.

Technology

The importance of choosing the appropriate technology nowadays can't be emphasized enough. On this topic - the company's technological needs, it is important that you collaborate with the IT department for clear information regarding the company's ability to support a certain solution.

- Do we have any restriction to using a software solution in cloud?
- If we have to use a locally installed solution, we have sufficient server space and necessary infrastructure for the future software?
- Do we have any restriction related to the technologies based upon which the new software is developed?
- Can we integrate the new software with other systems or applications already being used in the company, and under what terms (time, additional costs, etc.)?
- Do we have the necessary IT support to manage this product?
- What kind of safety measures requires each of the two options of use?
- Is the system adapted to local laws and to the company's specific procedures?

With SaaS or cloud solutions, you can choose between public, private or hybrid models. Each of them comes with a set of pros and cons as regards scalability, costs, ease of implementation, security needs and data control. Thus, IT has its share of responsibility in evaluating offers.

Time

The time allocated to every project in the organization is limited. To avoid syncopations, bottlenecks and delays, and to exploit as much as possible the time allocated, you need to appoint an internal project manager and, as much as possible, a project team. The internal project manager will be responsible to manage the project from start to finish. He will collect input from all parties involved in selecting and using the new tool, will align and correlate everybody's requirements and shall liaise with the consultant and/or the developer's representatives, monitoring every step of the project.

Even if, at first glance, allocating a person solely to this project and creating a project team may seem to be time consuming, on the medium and long term, it will prove to be a good investment in proper process development and not a cost. The client's project team represents its interests and goals, and it can make sure that they are implemented as agreed.

Failing to allocate sufficient time resources and an internal manager may compromise the implementation, irrespective of how good or appropriate the chosen software might seem. Make sure that you allocate from the beginning sufficient resources so that the process should be a success for your organization.



Step 4

EVALUATING OFFERS BASED ON IMPORTANT CRITERIA FOR YOUR COMPANY

The more your requirements as a potential client are from the beginning clear, specific and detailed, preferably set forth as conditions of contract or RFP (request for proposal) for every vendor, the more the offers received will be more complete and will address your actual business needs. Moreover, they will help you get to detailed and specific discussions more quickly, and that can make the difference between two apparently similar offers, or can reveal hidden costs that could occur in the process.

To assess the offers received on the basis of important criteria for your company, use the table under step 2, where you have customized your function-related requirements, the business needs and the degrees of importance.

Therefore, use this table as a starting point and extend it with as many specifications or evaluation criteria you might need in your company. For instance, sub-chapters such as technical aspects may require more input on your part, according to the company's specific procedures.

You can extend evaluation criteria by adding functions that you are already aware of or business requirements – in which case you will more likely assess the solution that a certain supplier can offer in solving your specific situation, not the actual functions.

Another factor that you can “play” with is prioritizing evaluation criteria. It is to be expected that the importance of every criterion should be different in various companies, because it depends on:

- company's business goals
- company size
- level to which the solution is to be used (one location versus multiple locations, local versus international)
- previous use of other HR solutions and degree of familiarity of the users to the HR technologies.

Furthermore, not all HR processes consume as much time. As far as HR software is concerned, you will probably want to pay more attention to the functionalities or the mix of solutions releasing you from many repetitive actions. Thus, the possibility to automate and render more fluid the workflows that are more likely predisposed to bottlenecks should count as a factor in your evaluation.

We hope that, starting from these examples, it becomes clearer why, on an international level, it is recommended that choosing an HR software should start from preparing the detailed conditions of contract or RFP, supplemented by clear evaluation criteria. The implementation process is sufficiently complex and human-resources consuming on both sides. You want a good start, with a detailed brief, so that you, a future client, would find it easier to follow all implementation phases, to make sure that all business needs are covered from the beginning by the agreed costs, the process does not get sidetracked and it will be finished in time.

Last but not least, the examples above point to why choosing an HR software must be a “personal” and informed choice of every organization, based on solid and specific arguments. When every party treats the process seriously from the beginning, the chances for a win-win collaboration increase exponentially.



Step 5

SELECTING THE PROJECT BOARD

Up to this point, you have identified the company needs and you have made a first evaluation of the market offers, taking into account the important criteria for your particular case. Now it's time to organize a board to assess the project from multiple perspectives, going beyond the goals of your HR department.

The needs of the HR department will continue to weigh significantly, considering that HR is the direct user of the software; it is however critical for the success of the subsequent implementation that this board should include leaders from various departments. Among the persons envisaged to bring their contribution to the HR software selection process, there may be representatives of the following business areas:

- IT
- Procurement
- Human resources - top management level
- Human resources – operational level
 - Recruitment and Onboarding
 - Performance management
 - Personnel management/ Timekeeping/ Payroll
 - Training and organization development
 - Internal communication
- Financial and accounting

For instance, the colleagues in the operational areas can offer a significant perspective on the impact of this new software on the daily activities – whether it brings added value or additional challenges. Their contribution is essential in implementation, such as that of the IT department, which will give the green light for certain aspects related to security or clarifications on the hardware need or the integration with other software already existing in the organization.

This list is meant as a guideline, and we encourage every company starting the process of HR software selection and implementation to involve from the very beginning as many of the relevant stakeholders as possible, so that they could easily go further in making their decision.

Step 6

PREPARING THE CONDITIONS OF CONTRACT

This step is particularly important for the successful implementation of an HR solution: the more the requirements are detailed and specific, the clearer the project will be for your company and for the developers you are targeting.

Once you have prepared the conditions of contract, your company has numerous benefits:

- This is a clear document assessing proposals and making objective comparisons;
- You can keep a detailed record of all functions required, which helps in identifying the pros and cons of every received offer;
- You make sure that during implementation, all necessary customizations and configurators are made, as per the specifications. We recommend that aspects pertaining to customization for more complex businesses should be clearly stipulated in the contract, so as to secure their delivery;
- You can get a more detailed and exhaustive offer, because the developer understood your needs and thus there are no unpleasant surprises during the implementation.

The conditions of contract are particularly beneficial for the developer, and the positive effects will be obvious in the way the HR application is configured and adapted to your needs. Thus the developer:

- Can identify the weak links from your flows and processes and can offers suggestions to redesign the process;
- Can contribute by consulting to improving the HR department activity, by optimizing flows and suggesting new automation solutions;
- Has a clear view of your needs and can make a transparent and fair offer for both parties;
- Avoid on both parts the incorrect estimates, as regards quotations that are too small or too big for demands that can occur subsequently, throughout the implementation;
- You have realistic expectations related to costs, time and resources to be allocated.



DEMOS AND EVALUATING OFFERS

The HR software complexity and the list of minimum requirements that you are seeking will impact on the time needed to test a demo solution. Every member of the project board should be available to participate in presentations.

There are various ways to test a software solution, according to your previous experience in the field. You can view Demo presentations, or you can be given a test account, where you experiment on your own.

We encourage you to:

- Have a shortlist of at least three offers
- Schedule and discuss face to face with the developers, in as much detail as possible
- Ask them as many questions as possible
- Point out the needs and problems of your company
- Ask for actual examples of solutions or approaches regarding the topics discussed

Throughout this process, the conditions of contract make it easier to objectively assess offers. Every project board member will evaluate a few or all functions that your company wants to include in the HR software. Thus, you will have different perspective on the same solution, you will bring to light possible problems and finally you will select offers more easily.



CONCLUSION

This guide was designed to assist you in choosing the appropriate HR software for your company.

In the first phase, the selection can seem long and laborious. You feel responsible for a considerable investment, whereas the project costs and implications can contribute to increasing pressure. It's possible that sometimes you feel overwhelmed by the situation, you don't know where to start or you have certain doubts.

You will see that, by preparing yourself in advance and treating the process seriously, it will be easier to clarify your own expectations, to make the required comparisons between various developers, their solutions and services, and to find the application appropriate for your requirements. Don't forget that everything starts from a succinct brief, supported by details conditions of the contract.

The process can be considerably simplified if you have the right people helping you, both persons from the company and external advisors, specializing in HR technology solutions. Dare to involve in the process, as soon as possible, representatives of all relevant departments. A diversified internal project team will give you different perspectives and raise potential problems earlier in the process. Don't be embarrassed to seek help from expert advisors who will steer you more quickly towards the right direction.

Be aware of the fact that, during the project, there will be changes, deadlocks, or aspects that you are not aware of. Any obstacle can be overcome by open communication with your partners.

Once implemented, such software will contribute initially to increasing productivity of the HR department and to lowering costs by the various automation processes and flow optimizations it will bring along. Moreover, having access to numerous data, analysis and reporting instruments you will be able to finally demonstrate to the top management and the other managers that HR is not a cost generating department, but an essential partner in achieving the company goals.

Best of luck in choosing the solution leading your HR department to the next level!

ABOUT SINCRON HR SOFTWARE

Sincron HR Software is an HCM (human capital management) platform, managing at centralized level the following HR processes:

- **Organization management**
- **Recruitment**
- **Onboarding**
- **Personnel management**
- **Time and attendance**
- **Payroll**
- **Performance and goals**
- **Training management**
- **Employee self - service**
- **Internal communication**
- **HR analysis and reports**

A single platform means optimizing processes, quick response, good control, easy communication and efficient use of resources.

As software and services supplier for B2B sector, HR Sincron acts in most cases as a data processor, authorized by its clients, in their capacity as personal data controllers.

Therefore, HR Sincron took the GDPR requirements very seriously. We have followed a process of alignment to the Regulation provisions, so that the Sincron HR Software solution and all the related processes and activities comply with the requirements of the new legislation.

Sincron HR Software clients use an HR software solution and additional related services that are maintaining the quality standards and respecting the new legal requirements.

SINCRON HR SOFTWARE CONSULTANTS ARE HERE FOR YOU!

When you chose the Sincron HR Software platform, entirely or various solutions pertaining to it, you can count on the consulting services provided by our experts, such as: HR audit and (re)design of HR processes, consulting services for implementation, training for users or customized development.

We have implemented HR software solutions for more than one hundred large and medium companies (ranging between a few hundred employees to thousands). Every project had its particularities, thus in addition to HR technology expertise, we have a good understanding of HR and every field's distinctive features.

We offer the entire know-how accumulated throughout all these projects by our consulting services, complementary to selling and implementing the Sincron HR Software platform. What do we do for you?

- Identify essential information about your HR department and the company
- Identify processes and flows that can be automated and/or improved substantially
- Objectively assess the alternatives, by reference to the company needs
- Define together the list of necessary functionalities, according to your area of activity
- Make an implementation plan and prioritize activities
- Make sure the solution is correctly implemented, in the selected configuration, during every phase of the project

If you decided to use the Sincron HR Software solution, our business consultants and analysts will help you overcome more quickly the challenges raised by implementing a new HR software. Benefit from the appropriate solution with quickly visible positive results!

Choose a trustworthy partner in this process!

[ASK FOR A CONSULTANT](#)