HRACUITY®

Making the Case for Employee Relations Technology

Table of Contents

Introduction

Workplaces have evolved so much in just the last few years. Organizations need to address the ever-growing list of workplace issues—from policy violations and workplace misconduct to mental health concerns—and protect their employees.

How are employee relations (ER) professionals supposed to handle it all, and do it well? The stakes are high; mishandling issues can lead to turnover, legal repercussions and financial losses. Employers recognize that they cannot afford to be reactive or, worse, passive in addressing ER issues. Success depends on a positive and secure work environment, free from toxicity and supported by processes that employees trust.

Policy violations, behavioral issues, misconduct and harassment are at their highest levels since 2018.[1]

To achieve this, technology is essential. Whether formulating fair policies or conducting thorough investigations, an organization's actions speak louder than words, making or breaking employee trust. Without consistent, reliable employee relations processes, your organization may be passively tolerating harassment and misconduct. This lack of attention can cost you legally, financially and in terms of employee turnover and brand integrity.

In this eBook, you will learn:

Compelling arguments and practical applications that make a strong case for integrating ER tech into the fabric of modern workplaces.

The potential disadvantages and impact of lacking employee relations technology, and the advantages and benefits of adopting said technology.

Why organizations need to embrace ER technology to cultivate a positive workplace culture, reduce turnover, and drive employee engagement.

Key information to convince stakeholders to adopt technology and shape a progressive, positive workplace environment.

[1] HR Acuity Eighth Annual Employee Relations Benchmark Study

The *Rising Need* for ER Tech

As the EEOC amplifies its commitment to combat systemic harassment, with a notable increase in funding of $26 million, the importance of ER technology is increasingly critical. HR case management and employee relations technology is more than just a tool; it's a necessity to proactively mitigate risks associated with delayed or inadequate responses to internal complaints. **Without ER technology, you run the high risk of:**

Poor Brand Reputation
A tarnished brand extends beyond just employee recruitment; it also adversely affects stock prices, market valuation and consumer interest.

Lawsuits & High Litigation Costs
The demand for the EEOC's services has increased, with discrimination charges rising by 10% in FY 2023. The EEOC filed 50% more lawsuits in 2023 than in the previous year and awarded $655 million to over 21,000 discrimination victims.

Negative Employee Experience
Hiring a replacement can cost half to two times of an employee's annual salary.[2]

Prevalence of Issues
Organizations that don't monitor and proactively address employee issues risk responding ineffectively, leading to more severe problems.

Key concerns addressed by ER technology:

Poor Employee Experience
+ Employee grievances
+ High turnover rates
+ Deterioration of brand reputation

Organizational Risks
+ Compliance challenges
+ Potential legal issues

Operational and Strategic Deficiencies
+ Operational inefficiency
+ Reactive instead of proactive decision-making
+ Inaccurate or limited reporting capabilities

+ Lengthy delays in report generation

Inefficient HR Management
+ Manual case management
+ Lack of data management
+ Misplacement of data files
+ Lack of documentation guidelines
+ No centralized repository for information

Transparency and Process-Related Problems
+ Lack of organizational transparency
+ Inconsistent processes and documentation

[2] *This Fixable Problem Costs U.S. Businesses $1 Trillion*, Gallup Workplace

Building the *Business Case* for ER Tech

Assessing Your Organization's Needs

How effectively does your organization address employee relations issues? It's not just about protecting your employees and managing crises; it's equally important to implement consistent, proactive processes that allow for easy identification and resolution of all employee concerns.

The more attention you dedicate to your employee relations function, the greater the likelihood of success in ensuring employee safety and engagement.

Evaluate your existing ER practices by taking a close look at your:

ER Processes

- Are issues managed on a case-by-case basis without established processes?

- Is there a defined and consistent approach for handling and documenting issues?

Employee Trust

- Do employees have confidence in your ability to address issues promptly?

- Is there a proactive approach to handling issues before they escalate?

Dedicated ER Resources

- Does your team possess the necessary tools and adequate resources for addressing issues?

- Are your managers prepared to handle issues as they arise?

Visibility into Issues

- Is there a lack of a cohesive view into employee relations data?

- Do you have a systematic way to access and analyze employee relations data?

Building the *Business Case* for ER Tech

Understanding the ROI of ER Technology

By analyzing the high cost of employee issues, you can quantify the economic impact and value of ER technology.

Employee issues entail substantial costs and risks for your organization, affecting various aspects of your operations:

- **Resources spent on managing HR issues:** Your investment in personnel dedicated to handling HR matters is valuable, but their time is limited and often stretched thin.

- **Dollars & resources spent on conducting investigations:** Ensuring that investigations follow best practices and maintain consistency across the board is crucial. Utilizing software can streamline this process while safeguarding essential documentation for future needs.

- **Cost of internal settlements:** Internal settlements, such as severance packages, contribute to financial strain. Implementing robust processes and regulations, through software, can help prevent these costs.

- **Costs related to legal settlements or proceedings (EEOC, UE, Trials, etc.):** Legal settlements and proceedings, involving entities like the Equal Employment Opportunity Commission (EEOC) and unemployment insurance (UE), add significant and preventable financial burdens.

Other indirect costs and risks include:

- **Cost of/impact on insurance:** Employee issues may impact insurance costs, leading to additional financial implications.

- **Brand/reputation damage leading to reduced enrollment:** Negative incidents can harm your brand, reducing trust and potentially impacting enrollment.

- **Increased turnover (and cost for rehire/training):** High turnover rates result in additional expenses for rehiring and training new personnel.

- **Lower employee engagement and productivity:** Employee issues can lead to decreased engagement and productivity, affecting overall organizational performance.

Addressing these multifaceted challenges requires a **proactive approach**, potentially through the implementation of tech solutions. This not only helps **mitigate immediate costs** but also **enhances overall organizational resilience and success.**

Building the *Business Case* for ER Tech

The Economic Impact of Technology

The economic impact of ER technology is threefold — heightened productivity, substantial risk mitigation and an exceptional return on investment.

Through streamlined processes and task automation, ER professionals can focus on more critical aspects of their roles. The system's consistent, reliable processes significantly decrease the chance of litigation, leading to a more engaged and satisfied workforce and drastically reducing employee turnover.

Improved ER Team Productivity	Return on Investment	Mitigated ER Case Litigation Risk
20%	**520%**	**$2.4M**

The ROI of Employee Relations Technology

Improved Human Resource team efficiencies, **$418,895 over 3 years**

Reduced employee turnover to **23.88% in year 1 to 23.76% year 3**

Avoided legal costs, **$2.9M over 3 years** (conservative estimate, w/ settlements)

Reduced employee turnover costs by **$479,183 over 3 years**

Building the *Business Case* for ER Tech

Getting Stakeholders on Board

Getting business stakeholders on board with purchasing ER technology is a multifaceted approach. By understanding and addressing each stakeholder's unique interests and concerns, aligning the technology's capabilities with the organization's broader goals and clearly articulating the ROI, you create a persuasive and compelling case for why ER technology is an essential investment for the organization's future.

Stakeholders typically include representatives and leadership from **Legal, Risk Management, HR, Finance and Diversity, Equity, and Inclusion (DEI)** teams.

When communicating the need for ER tech, be prepared to answer questions such as:

+ "Don't we **already have** something that can do that?"

+ "We don't have enough people issues to **justify this spend.**"

+ "Let's reorganize first and get tech **at a later time.**"

+ "We don't have the **IT resources** available to implement this."

+ "This **isn't a priority** this year. Wait till we can find the budget."

+ "We can **build or modify** something that does this."

LEGAL

Focus on compliance and risk mitigation. Highlight how employee relations tech can prevent litigation, reduce related costs and maintain compliance with labor laws.

LEGAL PROPOSAL LETTER TEMPLATE

RISK MANAGEMENT

It's important to show how ER tech can streamline compliance processes, reduce legal liabilities and enhance overall operational efficiency through advanced analytics and automated risk mitigation strategies.

RISK MGMT, PROPOSAL LETTER TEMPLATE

FINANCE

Highlight the cost-effectiveness and potential financial gains from ER tech. Demonstrate the ROI through metrics, like the potential for reduced legal costs and the improved productivity of the ER team.

FINANCE PROPOSAL LETTER TEMPLATE

HR INFORMATION SYSTEMS

The Human Resources team will want to understand how the new system integrates with existing HR systems. Stressing seamless integration and the reduction of duplicating efforts is important.

HRIS PROPOSAL LETTER TEMPLATE

DIVERSITY, EQUITY & INCLUSION

Stress the importance of how employee relations technology supports DEI initiatives by ensuring fair and unbiased handling of employee relations issues.

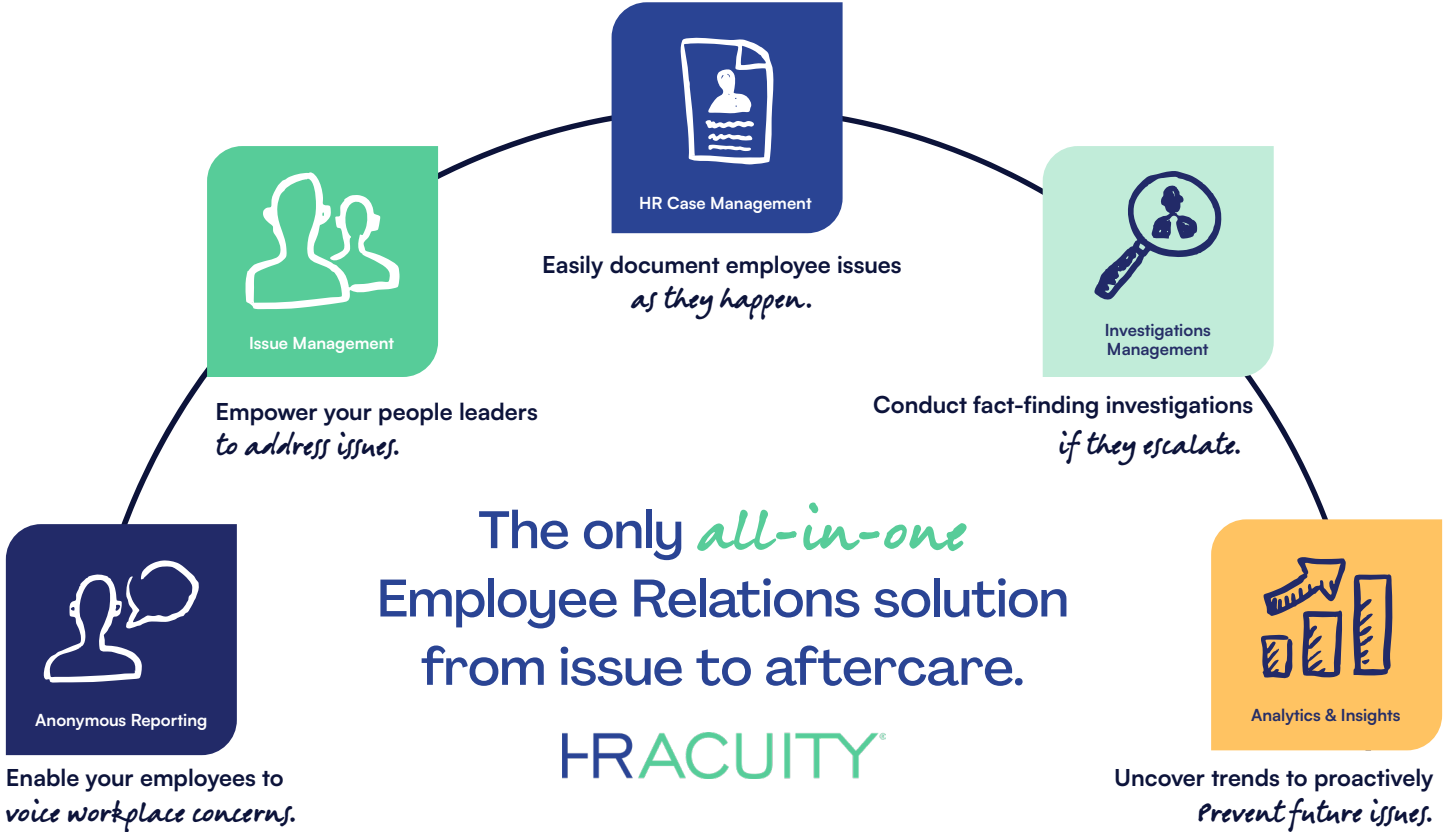**DEI PROPOSAL LETTER TEMPLATE**

OTHER STAKEHOLDERS

Engage with departments like IT and Procurement. Understand concerns such as system compatibility and the procurement process. It's smart to engage these stakeholders after building a coalition of support from these groups.

GENERAL PROPOSAL LETTER TEMPLATE

Conclusion

Organizations should recognize the urgency of implementing employee relations solutions that not only manage critical moments and uphold best practices but also leverage data trends, build trust, ensure confidentiality and security and ultimately protect the wellbeing of their most valuable asset: their employees.

By embracing ER tech, organizations can navigate the complexities of the modern workplace successfully, creating a positive and secure work environment that fosters trust, efficiency, and overall organizational resilience. It's more than a technological solution; it's an investment in the success and sustainability of the organization.

HR Case Management

Easily document employee issues *as they happen.*

Issue Management

Empower your people leaders *to address issues.*

Investigations Management

Conduct fact-finding investigations *if they escalate.*

The only *all-in-one* Employee Relations solution from issue to aftercare.

HRACUITY®

Anonymous Reporting

Enable your employees to *voice workplace concerns.*

Analytics & Insights

Uncover trends to proactively *prevent future issues.*

HR Acuity is the only technology platform specifically built for employee relations and investigations management, helping organizations protect their reputations and build better workplaces.

We empower customers with built-in intelligence, templates and reporting so they can equitably and appropriately manage employee relations issues; uncover trends and patterns through forward-looking data and analytics; and provide trusted, consistent experiences for their people.

Welcome to the *next generation* of employee relations.

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