

HR Study

# DIGITIZATION IN HR

## How digital are HR departments?

Digital HR processes & automated HR document management change the perspective in HR. How have HR departments developed in terms of digitization over the last three years, what is the current status quo and what expectations do HR experts have for the future?



Digitization continues to be one of the defining trends in HR. The crises of recent years have led to hybrid work models experiencing a rapid upswing. This development, in turn, has had a major impact on the mindset of younger generations of workers in particular. Flexible working hours and highly digitized workplaces are now taken for granted as standard. These demands act as an additional catalyst for the increased digitization trend in HR, which has been particularly evident over the last three years.

This also means that HR departments that have hitherto been managed traditionally must modernize immediately in order to meet these increased expectations. Otherwise, employer attractiveness will suffer, and this can have a fatal impact on the company's image and business success in the long term.

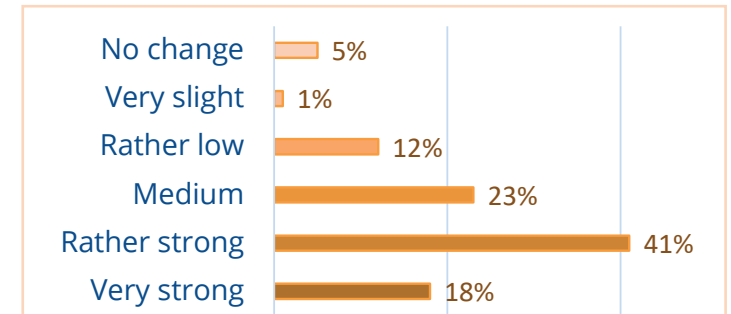
## HR CHALLENGES OF THE LAST 3 YEARS



According to 77 percent of the HR decision-makers surveyed, the shortage of skilled workers has been the biggest challenge in the last three years. In addition, the digitization of HR processes (52 percent), organizational development (42 percent) and health management (38 percent) placed enormous demands on German HR departments. But increased internal communication (25 percent) and strategic tasks, as well as job cuts, also left their mark on HR.

## CHANGED DEGREE OF DIGITIZATION WITHIN THE LAST 3 YEARS

It is therefore good news that the vast majority of respondents (59 percent) state that the level of digitization in their HR department has changed significantly over the last three years. Only 13 percent see a rather minor change. If they do not initiate their digitalization process in time, they run the risk of becoming unattractive to young applicants and losing out in the competition for talent and skilled workers. The fact that attitudes toward digitization in HR departments have changed noticeably is particularly evident when it comes to the topic of automation: Just three years ago, only around 50 percent of respondents (see HR Future<sup>2</sup> study) stated that they used automated administration processes in the HR department. Today, this figure is already around 70 percent.



## LEARNING FROM CRISES

Especially in times of crisis, the status quo can change at breakneck speed and traditional processes have to be thrown overboard or converted overnight. Three years ago, many German HR departments were not adequately prepared when the workforce suddenly had to work from home. What conclusions should they draw from the experience of the past few years to ensure that this doesn't happen again? The first is a greater willingness to initiate necessary change processes: Companies need to be able to respond more quickly and actively to crises, and they need to be more flexible to do so. Digitization has a key role to play here. After all, remote and hybrid work are only possible if companies have the appropriate solutions. In order to prevent future crises and remain competitive, the areas with the greatest need for modernization and optimization must be digitized as quickly as possible. This is the case wherever small-scale management efforts are required, where the susceptibility to errors is particularly high, or where outdated work processes such as manual file maintenance are still in use.

## THE STATUS QUO

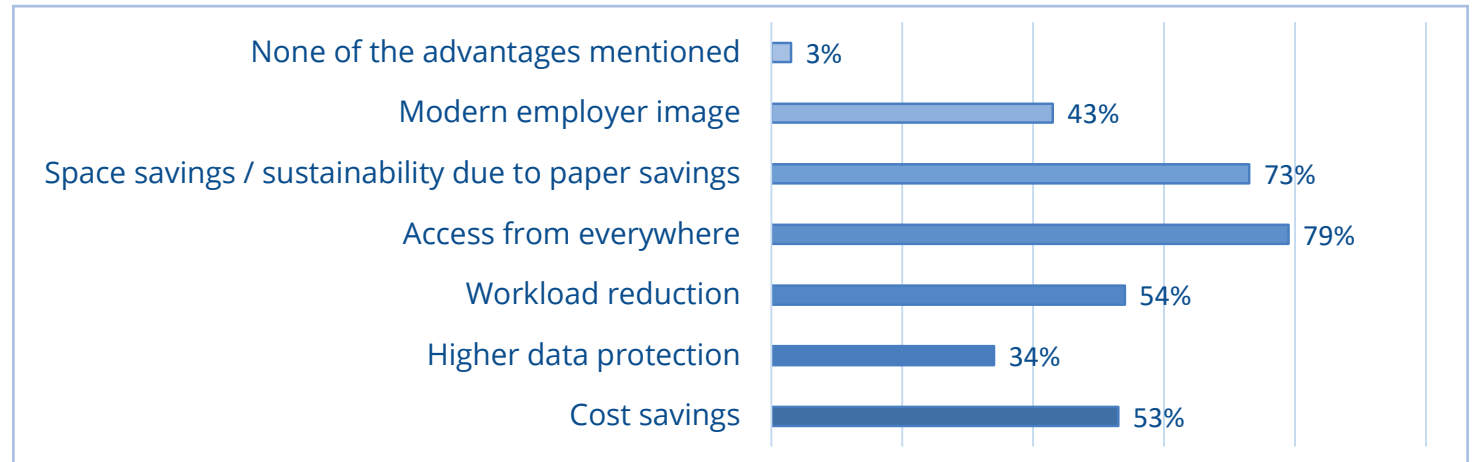
Have German HR departments really learned from past crises? This study shows that HR has made progress in terms of digitization. 71 percent already use digital solutions in particularly administration-intensive areas such as HR document management. That is around one-fifth more than three years ago (see HR Future<sup>2</sup> study). Basically, all rule-based HR processes can be mapped and automated with algorithms - whether it's the creation of contracts, the generation of references or the vacation application. The best starting point for the digitization process is the digital personnel file. It forms the foundation for centralized and, at the same time, location-independent processing of employee data.



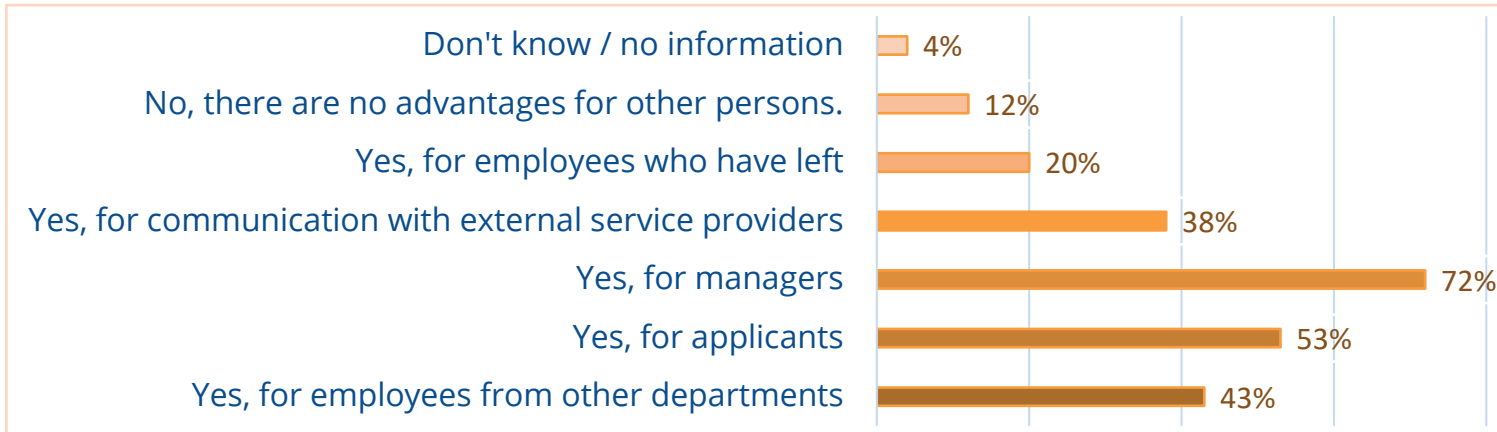
<sup>2</sup> aconso, "HR Future Studie 2023", <https://www.aconso.com/studie-hr-future/>

## ADVANTAGES OF A DIGITAL PERSONNEL FILE

HR managers who work with a digital personnel file primarily perceive flexible access (79 percent) and additional space savings/sustainability (73 percent) as noteworthy advantages. Around half of the respondents also report cost savings (53 percent), reduced workload (54 percent) and a more modern employer image (43 percent). A further 34 percent report better data protection as a result of the digital personnel file.



## CROSS-DEPARTMENTAL COLLABORATION USING DIGITAL HR PROCESSES



Digital HR document processes are not only essential for the HR department itself. Other groups of people also benefit from them. 72 percent of respondents say they see clear benefits for managers from other departments. Around half (53 percent) are convinced of benefits of digital document processes for applicants. 43 percent also see benefits for employees from other departments and 38 percent in communication with external service providers.

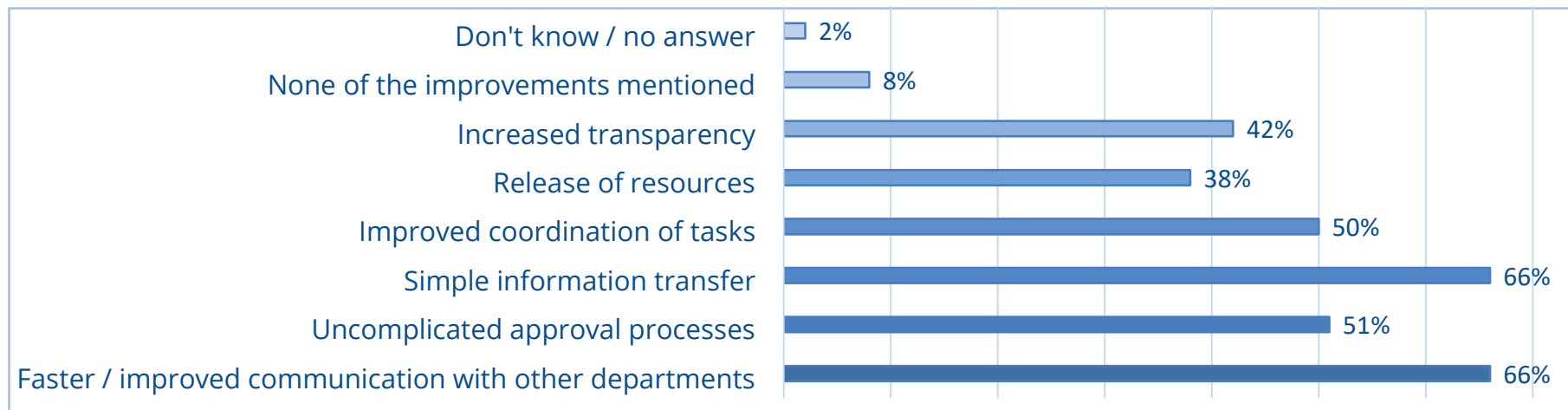


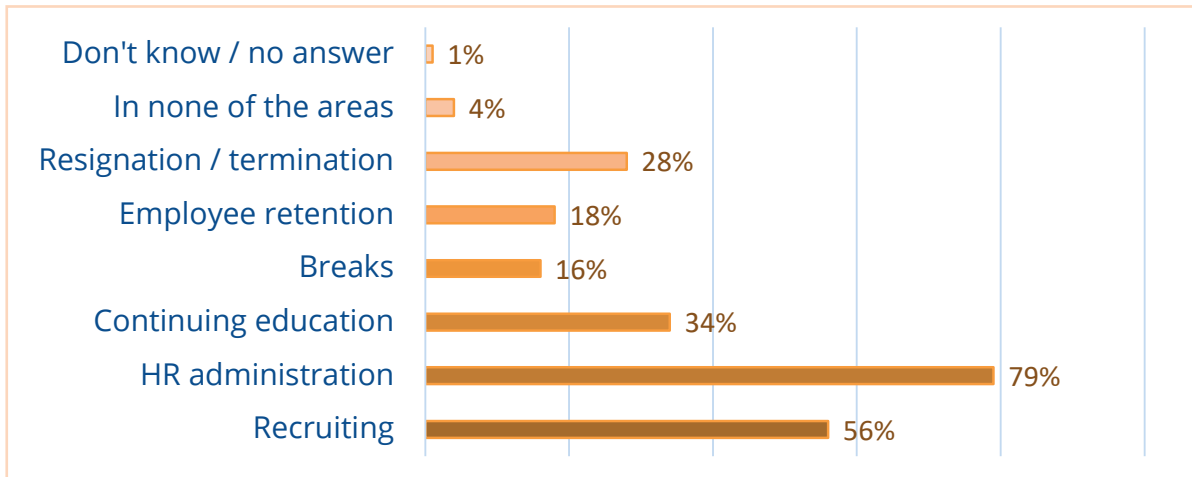


## OUTLOOK: FURTHER CRISES, BUDGET CUTS AND A GREEN OPPORTUNITY?

Even in the future, the upheaval processes within the HR industry will not come to a standstill. 25 percent of respondents expect further economic crises to lead to budget cuts. But especially in times of crisis, it would be fatal for companies to cut back on investments in the digitization of HR departments.

The tangible benefits, such as faster/improved communication with other departments (66 percent), uncomplicated approval processes (51 percent) and simplified information transfer (66 percent), can make the difference in remaining competitive, and not just in times of crisis. Improved coordination of tasks and the freeing up of resources also help to bring the HR department into the digital age. 63 percent of respondents also state that their company saves considerable costs through digital HR processes. The majority of study participants also assume that automated HR processes and workflows in German HR departments save a medium (41 percent) or even high (27 percent) amount of time.





According to 79 percent of respondents, digital HR processes make work easier in HR administration, followed by recruiting (56 percent). But automated HR processes also make HR work much easier in the areas of training (34 percent) and leaving and termination (28 percent).

In addition, the HR department plays a key role on the path to a sustainable corporate identity. It has the task of supporting the entire company in the transformation process and motivating employees to play a positive role in shaping the

change.

In doing so, it should set a good example: Promoting digital HR creates acceptance among employees for eco-friendly technology and sustainable HR processes in the company.

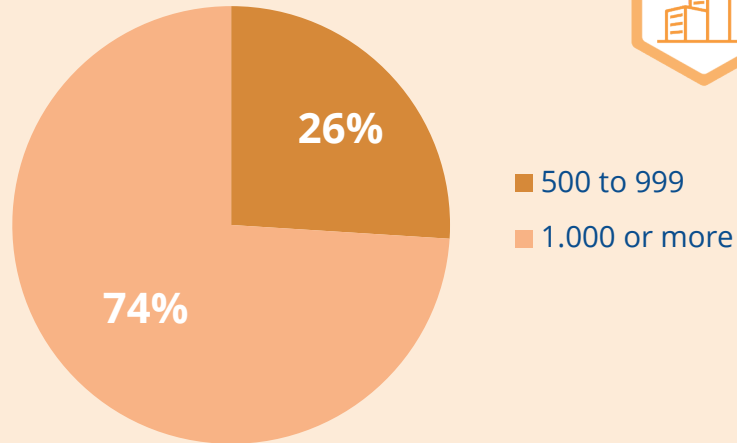
In addition, digital HR processes increase employee satisfaction and employer attractiveness. It can therefore be assumed that in the future HR departments will not only play a central role in the modernization of recruiting and administrative processes, but will also play an active role in the sustainability transformation within companies.



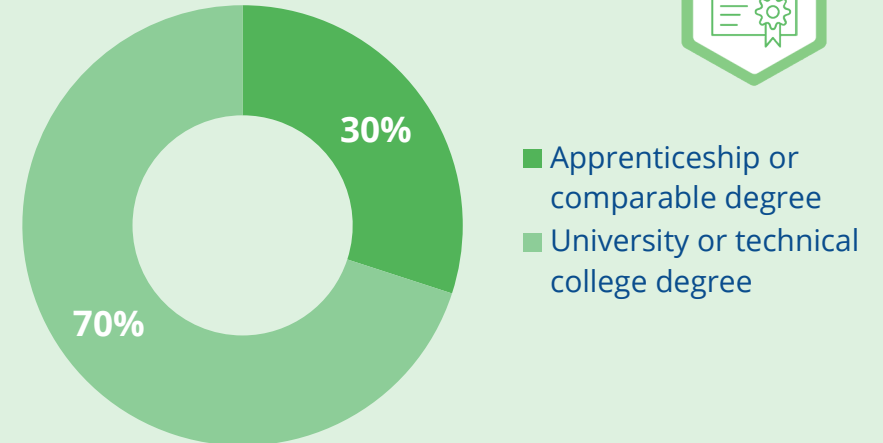
## KEY DATA FOR THE DIGITAL HR STUDY 2022

HR decision-makers in German companies with more than 500 employees were surveyed.

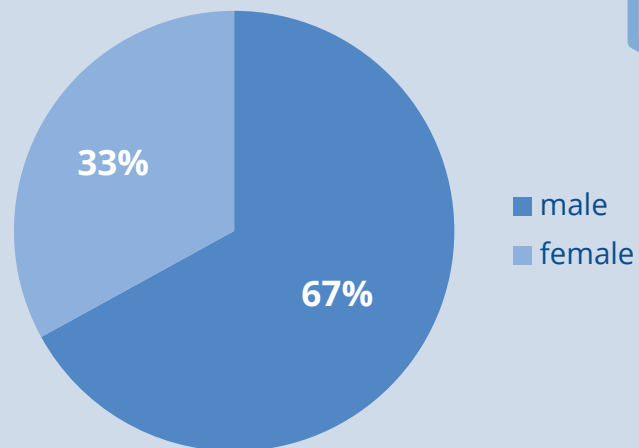
### COMPANY SIZE



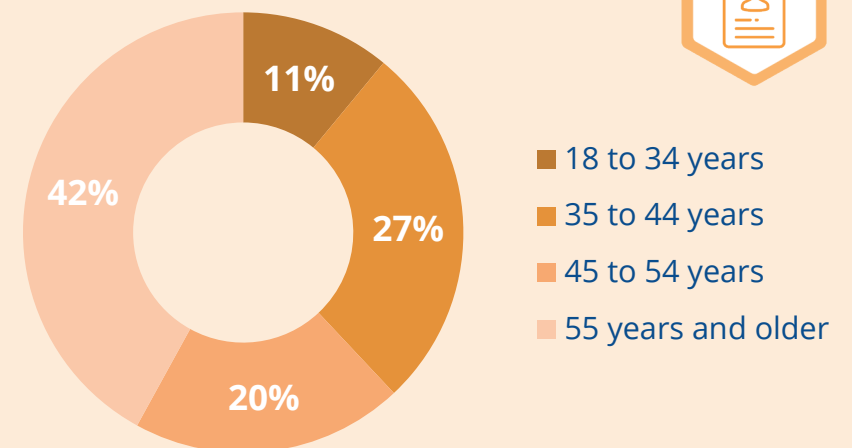
### HIGHEST LEVEL OF EDUCATION



### GENDER OF RESPONDENTS



### AGE STRUCTURE



## ABOUT US

People-Based HR - that is what *aconso* stands for.

*aconso* is the inventor of the digital personnel file and market and innovation leader for cloud software in HR document management. Since 2001, the *aconso* group has been setting new standards for a digital HR department with its vision of fully automating HR processes. We enable HR to focus more on the company's most important asset – the employees.

With our People-Based HR approach, we commit to putting the needs of our customers and their employees front and center. *aconso* enables efficient collaboration between HR staff, employees and managers, thus reducing the administrative burden on the HR department.

*aconso* has already paved the way for the digital transformation of more than half of the companies listed on the German DAX index – over 10% of German employees already use *aconso's* Digital Personnel File. The *aconso* group helps customers digitize document management, document creation, internal communication and personnel data acquisition procedures, including scanning and logistics, thus offering an all-round service from a single source.

### Our Solutions:

- Digital Personnel File
- Document Creation
- HR Document Box
- Scan Service
- SAP SuccessFactors Integration



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