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PwC US has carried out *HR Tech Survey 2022*. We believe that MindLink.lv subscribers, too, might be interested in its findings, as they relate to one of the traditional corporate processes – human resources (HR), or more precisely, investing in HR technologies. HR technologies in this article mean IT systems that enable the recording of HR processes, such as vacations, time sheets, training courses, hiring and firing. The survey interviewed 688 HR leaders, who answered questions about their technology challenges and achievements. The full survey is unfortunately restricted to the US market, but a summary offering many valuable insights is available here. This article explores what we see as key findings.

PwC HR Tech Survey 2022

Deploying, updating and synchronising HR technology has become important not only when it comes to monitoring how workers do their work but also gathering high-quality HR data that can be analysed for business purposes. New technologies might also increase workers' overall job satisfaction and promote their long-term employment.

HR challenges vary from company to company depending on their development stage, size, and line of business. The top challenges include:

- HR data analytics – 39%
- Recruitment – 39%
- Modernising HR systems – 36%
- Training and professional development – 28%
- Talent retention – 27%

Pay in the US survey ranks only 10th, cited by 16% of respondents.

High-quality HR data analytics and using its findings for business purposes is said to be the most complicated area, which is closely related to the use of HR technologies. Modernising HR systems is also a relevant area that involves implementing new technologies and/or synchronising the existing ones.

Investing in HR technology can facilitate and automate HR processes to make them faster and reduce the number of errors. Automated reporting, goal setting and feedback tools can accelerate the transfer of information and promote improvements at work. An increasingly greater emphasis is placed on IT solutions allowing the company to analyse its HR data and make timely interventions, such as preventing a drop in performance, detecting the risk of a worker quitting, or noticing a worker's set skills and knowledge for their career developcoopment sin the company.

Implementing HR technologies is an acute need, yet companies are deterred by various challenges, including implementation cost (23%), scepticism about technology being put to good use in the company (20%), cybersecurity (19%), and implementation difficulties (17%) including labour shortages.

HR technologies are becoming increasingly popular. Their market valuation was close to USD 24 billion in 2022, meaning there are very few companies that have not put appropriate levels of HR technology in place to promote their business. Yet these technologies are not fully and efficiently implemented in most companies.

The US 2022 survey suggests that HR technology has become a major cause of job dissatisfaction across the US. Specifically, workers are so dissatisfied that about 50% are willing to accept lower pay if this is compensated by a new technology that is easier to understand (mutually synchronised systems or a single system for handling all HR tasks – recording hours, organising training courses, claiming vacations, satisfaction surveys etc). Although these indicators go down each year, it's clear that a change of technology and embracing HR digitalisation is one of the HR leader's responsibilities.

The reasons for failure to implement technology are cost and workers' resistance to change. According to the survey, common methods for reinforcing the use of newly implemented technologies are:

- Technology training courses – 54%
- Management communication – 54%
- Remote access through smartphone tools – 51%
- Incentives for usage – 44%

The efficiency of these methods was 85% (82% for management communication). Most respondents used a combination of different methods that helped them achieve such results.

Findings

The current trends suggest that talent retention is a key HR task in Latvia. While the survey does not cover the Latvian market, we believe that HR data analytics and technological advances as well as recruitment process improvements and talent retention might top the list of HR priorities in Latvia, too.

As for the HR market's size and requirements, we think the Latvian market is a few steps behind the US on the overall use of systems. This is also affected by the average company size, as a small company's requirements for systems and the need to update and synchronise those are much lower.

The importance of using systems appears along with the need to facilitate processes and reduce time consumption at all levels – for HR and workers. This would be particularly relevant in companies with a far greater number of systems and worker self-service requirements.

Implementing technology solutions for ensuring the working process, providing feedback, communication with colleagues, apps to find out about workers' wellbeing, assessing performance and development is not only part of the working process but also a tool to attract talent. The simpler this process is, the more satisfied the worker will be.

So, investing in HR technology means we are investing in people. Take a look at PwC Latvia Technology consulting services and PwC's offer in the region.